

11-18-1999

Docket No.:



101204126

Tab settings

MKD 11.9.99

To the Honorable Commissioner of Patents

Please return the attached original documents or copy thereof.

1. Name of conveying party(ies):

Preferred Networks, Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other

- Association
- Limited Partnership

Additional names(s) of conveying party(ies) Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: December 20, 1996

2. Name and address of receiving party(ies):

Name: Bank of America, NA

Internal Address: Attn: Mr. Michael Fey

Street Address: 101 N. Tryon Street, 7th Floor

City: Charlotte State: NC ZIP: 28255

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other

If assignee is not domiciled in the United States, a domestic designation is Yes N
(Designations must be a separate document from Additional name(s) & address(es) Yes N

4. Application number(s) or registration numbers(s):

A. Trademark Application No.(s)

75/525,956 75/552,793 75/616,280
75/552,799 75/582,280 75/656,646
75/525,631 75/541,229

Additional numbers

B. Trademark Registration No.(s)

2,228,273
2,274,461

Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Frank DeBorde, Esq.

Internal Address: Morris, Manning & Martin, LLP

1600 Atlanta Financial Center

Street Address: 3343 Peachtree Road, NE

City: Atlanta State: GA ZIP: 30326

6. Total number of applications and registrations involved: 10

7. Total fee (37 CFR 3.41): \$ 265.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

n/a

11/17/1999 DCOATES 00000180 75525956

DO NOT USE THIS SPACE

01 FC:481 40.00/OP
02 FC:482 225.00/OP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Frank DeBorde, Esq.

Name of Person Signing

Signature

November 8, 1999

Date

Total number of pages including cover sheet, attachments, and

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of December 20, 1996 executed and delivered by PREFERRED NETWORKS, INC., a corporation organized under the laws of the State of Georgia, with its principal place of business and chief executive office located at 850 Center Way, Norcross, Gwinnett County, Georgia 30071 (the "Debtor"), in favor of NATIONSBANK, N.A. (SOUTH) with an office located at 600 Peachtree Street, 18th Floor, Atlanta, Georgia 30308 (the "Secured Party").

WHEREAS, the Debtor, PNI Systems, LLC and the Secured Party have entered into that certain Credit Agreement dated as of August 8, 1996 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Secured Party has agreed to extend certain financial accommodations to the Debtor and the other Borrower subject to the terms thereof; and

WHEREAS, it is a condition precedent to the Secured Party's extension of such financial accommodations under the Credit Agreement that the Debtor execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby agrees with the Secured Party as follows:

Section 1. Grant of Security. To secure the prompt and complete payment, observance and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Debtor hereby collaterally assigns and pledges to the Secured Party, and grants to the Secured Party a security interest in, the Collateral.

Section 2. Representations and Warranties. The Debtor represents and warrants to the Secured Party as follows:

(a) Name, Taxpayer ID Number. The correct corporate name of the Debtor is set forth in the first paragraph of this Agreement, and the Debtor does not conduct and, since its formation has not conducted, business under any trade name or other fictitious name. The Internal Revenue Service taxpayer identification number of the Debtor is 58-1954892.

(b) Intentionally omitted.

(c) Liens. None of the Collateral or other properties of the Debtor is, as of the date hereof, subject to any Lien, except Permitted Liens.

(d) Chief Executive Office. The chief executive office and principal place of business of the Debtor and the books and records relating to the Receivables and the other Collateral are located at the Debtor's address set forth in the first paragraph of this Agreement, and, except as set forth on Schedule 2(d), have been located there for the five-year period ending on the date hereof. The Debtor has not changed its name, identity or corporate structure in any way since the Debtor's formation.

(e) Places of Business. The addresses (including the applicable counties) of all of the current places of business of the Debtor, and all other places of business of the Debtor during the five-year period ending on the date hereof, are set forth on Schedule 2(e) attached hereto.

(f) Inventory. All Inventory is in good condition, meets all standards imposed by any Governmental Authority having regulatory authority over such goods, their use or sale, and is currently either usable or salable in the normal course of the Debtor's business. All Inventory is located on one or more of the places set forth on Schedule 2(e) hereof or is in transit to one of such locations.

(g) Equipment. All Equipment of the Debtor is in good order and repair and is located on or at one or more of the places set forth on Schedule 2(e) hereof. During the five-year period ending on the date hereof, no Inventory or Equipment of the Debtor was located at any other place of business except as set forth on Schedule 2(e) hereof.

(h) Security Interest. It is the intent of the Debtor that this Agreement create a valid and perfected first-priority security interest in the Collateral, securing the payment of the Obligations.

Section 3. Continued Priority of Security Interest.

(a) The Security Interest shall at all times be valid, perfected and of first priority and enforceable against the Debtor and all other Persons, in accordance with the terms of this Agreement, as security for the Obligations.

(b) The Debtor shall, at its sole cost and expense, take all action that may be necessary or desirable, or that the Secured Party may request, so as at all times to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 3(a), or to enable the Secured Party to exercise or enforce its rights hereunder, including without limitation: (i) paying all taxes, assessments and other claims lawfully levied or assessed on any of the Collateral, except to the extent that such taxes, assessments and other claims constitute Permitted Liens; (ii) obtaining landlords', mortgagees', mechanics', bailees', warehousemen's or processors' releases, subordinations or waivers with respect to any or all of the Collateral, in form and substance satisfactory to the Secured Party; (iii) delivering to the Secured Party, endorsed or accompanied by such instruments of assignment as the Secured Party may specify, any and all chattel paper, instruments, letters of credit and all other advices of guaranty and

documents evidencing or forming a part of the Collateral, (iv) at the request of the Secured Party, marking conspicuously each document included in the Collateral and marking all chattel paper and each of its records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Secured Party, indicating that such document, chattel paper, or Collateral is subject to the Security Interest, and (v) executing and delivering financing statements, pledges, notices and assignments, in each case in form and substance satisfactory to the Secured Party, relating to the creation, validity, perfection, priority or continuation of the Security Interest under the UCC or other Applicable Law.

(c) The Secured Party is hereby authorized to execute and file in all necessary and appropriate jurisdictions (as determined by the Secured Party) one or more financing or continuation statements (or any other document or instrument referred to in Section 3(b)(v) above) in the name of the Debtor and to sign the Debtor's name thereto. The Debtor authorizes the Secured Party to file any such financing statement, document or instrument without the signature of the Debtor to the extent permitted by Applicable Law. Further, to the extent permitted by Applicable Law, a carbon, photographic, xerographic, photostatic, microphotographic, optical image reproduction or other reproduction of this Agreement or of any financing statement is sufficient as a financing statement.

Section 4. Covenants Regarding Contracts.

(a) Anything herein to the contrary notwithstanding, (i) the Debtor shall remain liable under all Assigned Contracts to the extent set forth therein to perform its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Secured Party of any of its rights hereunder shall not release the Debtor from any of its duties or obligations under any of the Assigned Contracts (except to the extent that such exercise prevents the Debtor from satisfying such duties and obligations), and (iii) the Secured Party shall not have any duties, obligations or liability under any of the Assigned Contracts or duties by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the duties or obligations of the Debtor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Debtor or the sufficiency of any performance by any party under any such contract or agreement, or to take any action to collect or enforce any claim for payment assigned hereunder.

(b) The Debtor shall perform and observe all the terms and provisions of the Assigned Contracts to be performed or observed by it, maintain the Assigned Contracts in full force and effect to the extent of the Debtor's normal business practices, and enforce the Assigned Contracts in accordance with their terms to the extent of the Debtor's normal business practices.

Section 5. Covenants Regarding Collateral Generally.

(a) Verification. After the occurrence of a Default or Event of Default, the Secured Party shall have the right at any time and from time to time, in the name of the

Secured Party or in the name of the Debtor, to verify the validity, amount or any other matter relating to any Receivables by mail, telephone or otherwise.

(b) Delivery of Instruments. In the event any of the Collateral becomes evidenced by a promissory note, trade acceptance or any other instrument, the Debtor will immediately thereafter deliver such instrument to the Secured Party, appropriately endorsed to the Secured Party.

(c) Defense of Title. The Debtor shall at all times be the sole owner of each and every item of Collateral and shall defend its title in and to, and the Security Interest in, the Collateral against the claims and demands of all Persons.

(d) Maintenance of Collateral. The Debtor shall maintain all physical property that constitutes Collateral in good and workable condition, with reasonable allowance for wear and tear, and shall exercise proper custody over all such property.

(e) Insurance. The Debtor shall at all times maintain insurance on the Collateral against loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards and risks as the Secured Party shall reasonably specify, in amounts and under policies issued by the Debtor's present insurers or other insurers acceptable to the Secured Party. All premiums on such insurance shall be paid by the Debtor and certified copies of the policies, or other evidence of insurance acceptable to the Secured Party, shall be delivered to the Secured Party promptly upon the Secured Party's request. The Debtor will not use or permit the Collateral to be used unlawfully or outside of any insurance coverage. All insurance policies required under this Section shall contain loss payable clauses on New York standard loss payee forms or other forms satisfactory to the Secured Party, naming the Secured Party as loss payee, and providing that: (i) all proceeds thereunder shall be payable directly to the Secured Party; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; (iii) such policies and loss payable clauses may not be canceled, amended or terminated with respect to the Secured Party unless at least thirty days' prior written notice is given to the Secured Party, and (iv) there shall be no recourse against the Secured Party for payment of premiums or other amounts with respect thereto. Any proceeds of insurance referred to in this Section which are paid to the Secured Party shall be applied to the payment or prepayment of the Obligations in accordance with Section 12 hereof.

(f) Location of Office. The Debtor's chief executive office, principal place of business, and its books and records relating to the Collateral will continue to be kept at the address set forth in the first paragraph of this Agreement and the Debtor will not change the location of such office and place of business or such books and records without giving the Secured Party at least 30 days' prior written notice thereof.

(g) Location of Collateral. All Inventory, other than Inventory in transit to any such location, and all Equipment will at all times be kept by the Debtor at the current locations set forth on Schedule 2(e), and shall not, without the prior written consent of the

Secured Party, be removed therefrom except in connection with sales thereof in the ordinary course of business.

(h) Change of Name, Structure, Etc. Without giving the Secured Party at least 30 day's prior written notice, the Debtor will not (i) change its name, identity or structure or (ii) conduct business under any trade name or other fictitious name.

(i) Records Relating to Collateral. The Debtor will at all times keep complete and accurate records of Inventory and Equipment, itemizing and describing the kind, type and quantity of Inventory and Equipment and the Debtor's cost therefor and a current price list for any Inventory, and keep complete and accurate records of all other Collateral.

(j) Inspection. The Debtor shall permit any representatives designated by the Secured Party upon reasonable notice to visit and inspect the properties of the Debtor and to inspect its financial and business records and make extracts therefrom and copies thereof, all at reasonable times during normal business hours and in a manner so as not to unreasonably disrupt the operations of the Debtor and as often as reasonably requested. The Debtor shall permit the Secured Party or any representatives designated by the Secured Party upon reasonable notice to discuss the affairs, finances and condition of any of the Debtor with its officers and, after prior notice to the Debtor (so long as no Event of Default has occurred and is continuing), the independent accountants for the Debtor.

(k) Other Information. The Debtor shall furnish to the Secured Party such other information with respect to the Collateral, including, but not limited to, physical listings of Inventory and Equipment, as the Secured Party may request from time to time.

(l) Payments Directly to Secured Party. The Secured Party may at any time and from time to time after the occurrence of a Default or Event of Default notify, or request the Debtor to notify, in writing or otherwise, any Account Debtor or other obligor with respect to any one or more of the Receivables or Assigned Contracts to make payment to the Secured Party or any agent or designee of the Secured Party directly, at such address as may be specified by the Secured Party. If, notwithstanding the giving of any notice, any Account Debtor or other such obligor shall make payment to the Debtor, the Debtor shall hold all such payments it receives in trust for the Secured Party, without commingling the same with other funds or property of or held by the Debtor, and shall promptly deliver the same to the Secured Party or any such agent or designee immediately upon receipt by the Debtor in the identical form received, together with any necessary endorsements.

(m) Sale of Collateral. The Debtor shall not sell, lease or transfer or otherwise dispose of any Collateral outside the ordinary course of its business; provided, however the Debtor may dispose of its Inventory in the ordinary course of its business so long as no Default or Event of Default shall have occurred. The inclusion of "proceeds" of the

Collateral under the Security Interest shall not be deemed a consent by the Secured Party to any other sale or other disposition of any part or all of the Collateral.

Section 6. Intentionally omitted.

Section 7. Liens. The Debtor shall not create, assume, incur or permit or suffer to exist or to be created, assumed or incurred, any Lien upon any of the Collateral other than Permitted Liens.

Section 8. The Secured Party Appointed Attorney-in-Fact. The Debtor hereby irrevocably appoints the Secured Party the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument or document which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement and to exercise any rights and remedies the Secured Party may have under this Agreement or Applicable Law, including, without limitation: (i) to obtain and adjust insurance required to be maintained pursuant to the terms of this Agreement or any other Loan Document; (ii) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral including any Receivable; (iii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (i) or (ii) above; (iv) to sell or assign any Receivable upon such terms, for such amount and at such time or times as the Secured Party deems advisable, to settle, adjust, compromise, extend or renew any Receivable or to discharge and release any Receivable; and (v) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral. The power-of-attorney granted hereby shall be irrevocable and coupled with an interest.

Section 9. The Secured Party May Perform. If the Debtor fails to perform any agreement contained herein, the Secured Party may, without notice to the Debtor, itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Debtor under Section 15 hereof

Section 10. The Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property; it being understood that the Secured Party shall be under no obligation to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral, but may do so at its option, and all reasonable expenses

incurred in connection therewith shall be for the sole account of the Debtor and shall be added to the Obligations.

Section 11. Remedies. The Secured Party may take any or all of the following actions upon the occurrence of an Event of Default hereunder.

(a) Inventory and Equipment

(i) Entry. The Secured Party may enter upon any premises on which Inventory or Equipment may be located and, without resistance or interference by the Debtor, take physical possession of any or all thereof and maintain such possession on such premises or move the same or any part thereof to such other place or places as the Secured Party shall choose, without being liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(ii) Assembly. The Debtor shall, upon request of and without charge to the Secured Party, assemble the Inventory and Equipment and maintain or deliver it into the possession of the Secured Party or any agent or representative of the Secured Party at such place or places as the Secured Party may designate and as are reasonably convenient to both the Secured Party and the Debtor.

(iii) Warehousing. The Secured Party may, at the expense of the Debtor, cause any of the Inventory and Equipment to be placed in a public or field warehouse, and the Secured Party shall not be liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(b) Use of Premises and Patents. The Secured Party may:

(i) without notice, demand or other process, and without payment of any rent or any other charge enter any of the Debtor's premises and, without breach of the peace, until the Secured Party completes the enforcement of its rights in the Collateral, take possession of such premises or place custodians in exclusive control thereof, remain on such premises and use the same and any of the Debtor's equipment, for the purpose of (A) completing any work in process, preparing any Inventory and Equipment for disposition and disposing thereof and (B) collecting any Receivable; and

(ii) in the exercise of the rights of the Secured Party under this Agreement, without payment or compensation of any kind, use any and a trademarks, trade styles, trade names, patents, patent applications, licenses, franchises and the like to the extent of the rights of the Debtor therein, and the Debtor grants a license to the Secured Party for this purpose.

(c) Cash Collateral. The Secured Party may apply any cash Collateral to the payment of the Obligations in any order in which the Secured Party may elect or use such cash in connection with the exercise of any of its other rights hereunder.

(d) Rights as a Secured Creditor. The Secured Party may exercise all of the rights and remedies of a secured party under the UCC and under any other Applicable Law, including, without limitation, the right, without notice except as specified below and with or without taking possession thereof, to sell the Collateral or any part thereof in one or more parcels at public or private sale at any location chosen by the Secured Party, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable. The Debtor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to the Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(e) Waiver of Marshaling. The Debtor hereby waives any right to require any marshaling of assets and any similar right.

(f) Appointment of Receiver. The Secured Party shall be entitled to the appointment of a receiver, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the Collateral and/or the business operations of the Debtor and to exercise such power as the court shall confer upon such receiver.

(g) Receivables/Assigned Contracts. The Secured Party shall have the exclusive right to assert, either directly or on behalf of the Debtor, any and all rights and claims the Debtor may have under any Receivables and/or any of the Assigned Contracts as the Secured Party may deem proper and to receive and collect any and all Receivables and Assigned Contracts and any and all rent, fees, damages, awards and other monies arising thereunder or resulting therefrom and to apply the same on account of any of the Obligations.

Section 12. Application of Proceeds. All proceeds from each sale of, or other realization upon, all or any part of the Collateral following an Event of Default shall be applied or paid over as follows:

(a) First: to the payment of all costs and expenses incurred in connection with such sale or other realization, including reasonable attorneys' fees if the Secured Party endeavored to collect the Obligations by or through an attorney at law;

(b) Second: to the payment of the interest due upon any of the Obligations, in any order which the Secured Party may elect;

(c) Third: to the payment of the principal due upon any of the Obligations in any order which the Secured Party may elect; and

(d) Fourth: the balance (if any) of such proceeds shall be paid to the Debtor or to whomsoever may be legally entitled thereto.

The Debtor shall remain liable and shall pay, on demand, any deficiency remaining in respect of the Obligations, together with interest thereon at a rate per annum equal to the highest rate then payable hereunder on such Obligations, which interest shall constitute part of the Obligations.

Section 13. FCC Matters. Notwithstanding any other provision of this Agreement to the contrary, any foreclosure on, sale, transfer or other disposition of, or the exercise of any right to vote or consent with respect to, any of the Collateral as provided herein or any other action taken or proposed to be taken by the Secured Party hereunder which would affect the operational, voting or other control of the Debtor or any other Loan Party that holds a License granted by the FCC, shall be pursuant to the Communications Laws and to any other Applicable Laws of any state, and, to the extent required thereby, subject to the prior approval of the FCC or any applicable state PUC. Upon the occurrence and during the continuance of an Event of Default, the Debtor shall assist, and cause each of its Subsidiaries to assist, in obtaining all necessary approvals of the FCC and applicable state PUCs, if required, for any action or transactions contemplated by this Agreement, including, without limitation, the preparation, execution and filing with the FCC of the assignor's or transferor's portion of any applications for consent to the assignment of any license or transfer of control necessary or appropriate under the rules and regulations of the FCC or applicable state PUCs, for approval of the transfer or assignment of any portion of the Pledged Collateral. The Debtor acknowledges that there is no adequate remedy at law for failure by the Debtor to comply with the provisions of this Section and that such failure would not be adequately compensated in dollar damages, and therefore the Debtor agrees, without limiting the right of the Secured Party to seek and obtain specific performance of other obligations of the Debtor contained in this Agreement, that the agreements contained in this paragraph may be specifically enforced.

Section 14. Rights Cumulative. The rights and remedies of the Secured Party under this Agreement, the Credit Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which it would otherwise have. In exercising its rights and remedies the Secured Party may be selective and no failure or delay by the Secured Party in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

Section 15. Expenses. The Debtor will pay, on demand, all out-of-pocket expenses incurred by the Secured Party in connection with: (a) the collection or enforcement of the Obligations including reasonable fees and disbursements of counsel to the Secured Party if such collection or enforcement is done through or by an attorney; and (b) the exercise by the Secured Party of any right or remedy granted to it under this Agreement whether or not a Default or Event of Default has occurred, including, without limitation, the expenses incurred by the Secured Party in connection with the collection of Receivables directly from account debtors.

Section 16. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 17. Notices. Unless otherwise provided herein, all notices and other communications provided for hereunder shall be in given in accordance with the applicable provisions of the Credit Agreement.

Section 18. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the Obligations, (ii) be binding upon the Debtor, its successors and assigns and (iii) inure the benefit of the Secured Party, and its successors and assigns. The Debtor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefore.

Section 19. Applicable Law, Severability. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

Section 20. Arbitration ANY CONTROVERSY OR CLAIM BETWEEN THE DEBTOR AND THE SECURED PARTY, INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT, SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE, THE APPLICABLE STATE LAW), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF JUDICIAL ARBITRATION AND MEDIATION SERVICES, INC. (J A M S), AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL

RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO CONTEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION.

A. SPECIAL RULES. THE ARBITRATION SHALL BE CONDUCTED IN THE CITY OF THE DEBTOR'S DOMICILE AT THE TIME OF THIS AGREEMENT'S EXECUTION AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION; FURTHER, THE ARBITRATOR SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS.

B. RESERVATION OF RIGHTS. NOTHING IN THIS AGREEMENT SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS AGREEMENT; OR (II) BE A WAIVER BY THE SECURED PARTY OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC. 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW; OR (III) LIMIT THE RIGHT OF THE SECURED PARTY HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSE AGAINST ANY REAL OR PERSONAL PROPERTY COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER. THE SECURED PARTY MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSE UPON SUCH PROPERTY, OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS AGREEMENT. NEITHER THE EXERCISE OF SELF HELP REMEDIES NOR THE INSTITUTION OR MAINTENANCE OF AN ACTION FOR FORECLOSURE OR PROVISIONAL OR ANCILLARY REMEDIES SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CONTROVERSY OR CLAIM OCCASIONING RESORT TO SUCH REMEDIES.

Section 21. Indemnification. The Debtor agrees to indemnify and hold the Secured Party harmless from and against any claim, loss, damage, action, cause of action, liability, cost and expense or suit of any kind or nature whatsoever, brought against or incurred by the Secured Party, in any manner arising out of or, directly or indirectly, related to or connected with the operation of the Debtor's business, any action taken by

the Secured Party with respect to any Receivable or Assigned Contract pursuant to this Agreement or any other action taken by the Secured Party pursuant to the terms of this Agreement, including, without limitation, claims brought against the Secured Party by any Account Debtor.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same instrument.

Section 23. Definitions. (a) For the purposes of this Agreement:

"Agreement" means this Security Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Assigned Contract" means any contract or agreement to which the Debtor is a party or which runs in favor of the Debtor and which constitutes part of the Collateral.

"Collateral" means all of the Debtor's right, title and interest in and to each of the following, wherever located and whether now or hereafter existing, or now owned or hereafter acquired or arising:

(a) all Receivables of the Debtor;

(b) all Inventory;

(c) all Equipment,

(d) all rights of the Debtor as an unpaid vendor or lienor (including, without limitation, stoppage in transit, replevin and reclamation) with respect to any Inventory or other properties of the Debtor;

(e) all patents, trademarks, trade names, service marks, trade secrets, copyrights, mask works and exclusive licenses (including all pending patents, trademarks, trade names, service marks and copyrights and all applications, materials, documents and other matter relating thereto), all inventions, and all manufacturing, engineering and production plans, blueprints, drawings, specifications, processes and systems, all computer programs, data bases, systems and software (including source and object codes), goodwill, choses-in-action, and all other general intangibles of every nature, type and description, whether now owned or hereafter acquired by the Debtor;

(f) all documents of title, policies and certificates of insurance, chattel paper and instruments of the Debtor;

(g) all books, records, files and correspondence in any way related to any of the foregoing or otherwise pertaining to the business operations of the Debtor;

(h) any and all balances, credits, deposits, accounts, items and monies of the Debtor now or hereafter with the Secured Party or any affiliate of the Secured Party or deposited with the Secured Party or any financial institution selected by the Secured Party pursuant to any lock box, deposit, escrow or other collection agreement or otherwise, and all property of the Debtor of every kind and description now or hereafter in the possession or control of the Secured Party for any reason; and

(i) any and all products and proceeds of any of the foregoing (including, but not limited to, any claims to any items referred to in this definition, and any claims of the Debtor against third parties for loss of, damage to or destruction of, any or all of the Collateral or for proceeds payable under, or unearned premiums with respect to, policies of insurance) in whatever form, including, but not limited to, cash, instruments, general intangibles, accounts receivable, goods, documents and chattel paper.

Notwithstanding the foregoing the term "Collateral" shall not include (a) any GL3000 terminal system models and related attached components, including agency software, Quad buffer cards, T-1 digital trunk cards and TNNP routers, the purchase of which was financed by Glenayre Electronics, Inc. ("Glenayre") and in which the Debtor granted Glenayre a security interest as security solely for financing and (b) any Model #T 548 transmitters, together with attachments thereto, the purchase of which was financed by Associates Capital Service Corporation ("Associates Capital") and in which the Debtor granted Associates Capital a security interest as security solely for financing.

"Debtor" has the meaning set forth in the first paragraph hereof

"Equipment" means all equipment, machinery, apparatus, fittings, fixtures and other tangible personal property (other than Inventory) of every kind and description used in the Debtor's business operations or owned by the Debtor or in which the Debtor has an interest, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor.

"Inventory" means (a) all inventory of the Debtor and all goods intended for sale or lease by the Debtor, or for display or demonstration, (b) all work-in-process; (c) all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in the Debtor's business; and (d) all documents relating to any of the foregoing.

"Secured Party" has the meaning set forth in the first paragraph hereof

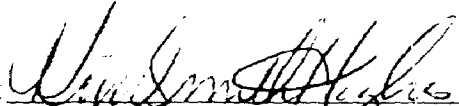
"Security Interest" means the Lien of the Secured Party upon, and the collateral assignments to the Secured Party of, the Collateral effected hereby or pursuant to the terms hereof

(b) Unless otherwise set forth herein to the contrary, all terms not otherwise defined herein and which are defined in the UCC are used herein with the meanings ascribed to them in the UCC. Terms not otherwise defined herein or in the UCC are used herein with the respective meanings given them in the Credit Agreement.

{Signatures on Next Page}

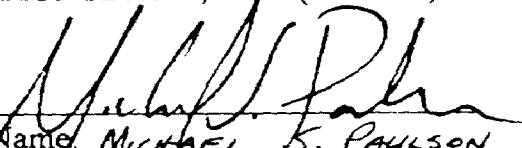
IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be duly executed and delivered under seal by its duly authorized officers as of the day first above written.

PREFERRED NETWORKS, INC.

By: 
Name: Kim Smith Hughes
Title: CHIEF FINANCIAL OFFICER

Agreed and accepted as of the date first written above.

NATIONSBANK, N.A. (SOUTH)

By: 
Name: MICHAEL K. PAULSON
Title: ASSISTANT VICE PRESIDENT

SCHEDULE 2(d)

PREFERRED NETWORKS, INC.

5300 Oakbrook Parkway
Suite 320
Norcross, Georgia 30093
Gwinnett County, Georgia

5801 Goshen Springs Road
Norcross, Georgia 30071
Gwinnett County, Georgia

111 Peachtree Park Drive
Atlanta, Georgia 30309
Fulton County, Georgia

SCHEDULE 2(d)

SCHEDULE 2(e)

PREFERRED NETWORKS, INC.

850 Center Way
Norcross, Georgia 30071
Gwinnett County, Georgia

5300 Oakbrook Parkway, Suite 320
Norcross, Georgia 30093
Gwinnett County, Georgia

5801 Goshen Springs Road
Norcross, Georgia 30071
Gwinnett County, Georgia

111 Peachtree Park Drive
Atlanta, Georgia 30309
Fulton County, Georgia

14900 Sweitzer Lane, Suite 105
Laurel, Maryland 20707

7015 Garfield Road
Harrison, Tennessee 37341

5210 Capitol Drive
Wheeling, Illinois 60090

281 Enterprise Court, Suite 400
Bloomfield Township, Michigan 48302

249 Main Mall, Suite 1 W
Poughkeepsie, New York 12601

175 Sunnyside Boulevard
Plainview, New York 11803

4307 Vineland Road, Suite H7
Orlando, Florida 32811

2005 Market Street, Suite 2040
Philadelphia, Pennsylvania 19103

Penn Center West Building 2, Suite 120L
Pittsburgh, Pennsylvania 15276

923 Powell Avenue
Renton, Washington 98055

Preferred Networks, Inc
 Transmitter Sites
 Frequency: All

SCHEDULE TO COLLATERAL LOCATIONS

MIA Missing in Action, Looking for more information
 Pending Waiting for fully executed copy to be returned
 Executed Completely signed document on file

System/Frequency	Site	Location	Status	Manager	Start	End	
Atlanta 152.840	West Peachtree	675 West Peachtree Street, NE	Executed	BellSouth Telecommunications, Inc.	8/30/96	8/29/01	
		33-46-22 84-23-12		404-529-6593			
		191 East Broad Street	Executed	BellSouth Telecommunications, Inc.	8/30/96	8/29/01	
	Fairburn	33-34-06 84-34-31		MIA			
		5375 Chamblee-Dunwoody Road					
		33-56-43 84-19-56					
	Dunwoody	400 North Park Bldg./1100 Abernathy Road	Pending	Grid Towers, LLC	5/15/96	5/14/99	
		33-56-12 84-21-12		770-643-8447			
	Atlanta 157.740	Sweat Mountain	Sweat Mountain, Woodstock	Pending	Grid Towers, LLC	4/1/94	3/31/99
			34-04-00 84-27-10		770-643-8447		
Sawnee Mountain		Sawnee Mountain	MIA	Motorola, Inc.	4/1/94	3/31/99	
		1.25 miles west of Interstate 120					
Greensboro		33-32-33 83-11-02					
		Highway 78					
Douglasville		33-44-03 84-47-51		Pinnacle Towers, Inc.	12/1/96	11/30/01	
		0.25 miles off Highway 74		941-364-8886			
Tyrone		33-29-29 84-34-59		Grid Towers, LLC	4/1/94	3/31/99	
		1 mile east of 1985		770-643-8447			
Buford	34-07-48 83-56-00		Grid Towers, LLC	4/1/94	3/31/99		
	800 Bethel Road		770-643-8447				
Conyers	33-44-38 84-00-39		AAA Communications, Inc.	4/1/96	3/31/01		
	Two Peachtree		770-388-7700				
Downtown	33-45-15 84-23-25		Georgia Building Authority	3/1/96	2/28/01		
	80 Hillwood Circle		404-651-9614				
Newnan	33-23-49 84-47-09		Grid Towers, LLC	1/18/91			
	400 North Park Building		770-643-8447				
Northpark	33-56-12 84-21-12		Grid Towers, LLC	4/1/94	3/31/99		
	Intersection of Snow Mill & Lane Creek		770-643-8447				
Eastville	33-50-59 83-32-45		Grid Towers, LLC	4/1/94	3/31/99		
	722 724 Mount Alto		770-643-8447				
Rome	34-14-02 85-13-50		McDougal Broadcasting	4/1/94	3/31/99		
	Wauka Mountain, Clermont		8/1/92				
Wauka Mountain	3340 Peachtree Road		Gainesville Communications Group	8/1/96			
	33-50-48 84-22-16		7705362066(236)				
Buckhead			Spectrum Site Management Corp.	4/1/93	3/31/98		
			713-984-8885				

12/16/01

Preferred Networks, Inc
 Transmitter Sites
 Frequency: All

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System/Frequency	Site	Location	Status	Manager	Start	End
Atlanta 157.740	LaGrange	2121 Greenville Road	Pending	Dial Call/ Transit Communications	12/ 1/93	11/30/98
	Norcross	5904 Goshen Springs Road 33-54-59 84-12-06	Amend-pend	Grid Towers, LLC 770-643-8447	12/31/95	12/31/96
	Cartersville	End Morningside Drive 34-09-45 84-45-28	Executed	South Comm, Inc. 404-386-6456	6/ 5/93	7/ 1/96
	Sunny Side	2 miles south of Bear Creek Airport	Executed	Motorola, Inc.	12/ 1/93	
	Carrollton	155 Temple Road	Executed	Carroll EMC 770-832-3552	1/23/95	1/31/98
	Althens	1199 Prince Avenue 33-57-39 08-32-35	Executed	Athens Regional Medical Center, Inc 7/ 1/95	6/30/98	
	Toccoa	Currahee Mountain 34-31-46 83-24-56	Executed	Currahee Paging 706-886-7243	11/ 1/95	10/31/96
	Clayton	Black Rock Mountain 34-54-24 83-24-56	Executed	Currahee Paging 706-886-7243	11/ 1/95	10/31/96
	McDonough	Henry County 33-25-56 84-08-19	Executed	Grid Towers, LLC 770-643-8447	2/16/96	2/15/97
	Carrollton	Bremen, in Carroll County 33-41-15 85-08-44	Cancelled 540'	Tracy and Associates 770-646-5930		
Atlanta 158.100	West Peachtree	675 West Peachtree Road 33-50-48 84-22-15	Executed	BellSouth Telecommunications, Inc. 404-529-6593	8/30/96	8/29/01
	Northpark	400 North Park Building 33-56-12 84-21-12	Executed	Grid Towers, LLC 770-643-8447	3/ 1/91	2/29/96
	Fairburn	191 East Broad Street 33-34-06 84-34-31	Executed	BellSouth Telecommunications, Inc 404-529-6593	8/30/96	8/29/01
	Sawnee Mountain	Sawnee Mountain	MIA			
	Marietta	Highway 120, .5 miles west of Marietta 33-57-01 84-39-57	Executed	AT&T Communications, Inc.	8/ 2/95	12/31/99
	Neese	Causey & Boggs Road 33-44-38 84-00-39	Executed	WGAU/WNGC-FM Radio Station	8/ 2/95	8/ 1/00
	Buford	Friendship & Ridge Roads	Executed	Grid Towers, LLC 770-643-8447	11/ 1/94	10/31/97
	Fairplay	.5 miles north of Highway 166 & Tyree Rd 33-37-22 84-53-06	Executed	AAA Communications, Inc.	8/ 1/95	7/31/00
	Alcovy Mountain	3.3 miles ENE of Jersey	Executed	BellSouth Telecommunications, Inc. 404-529-6593	8/30/96	8/29/01

Preferred Networks, Inc
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Atlanta 158.100	Cleveland	Long Mountain	Executed	Wireless Telecom, Inc. 706-778-2201	9/1/95	9/1/96
	Young Harris	Gum Log Mountain	Executed	Wireless Telecom, Inc. 706-778-2201	9/1/95	9/1/96
	Cornelia	Chenocetah Mountain	Executed	Wireless Telecom, Inc. 706-778-2201	9/1/95	9/1/96
Atlanta 462.825	Stone Mountain	Stone Mountain, Channel 8 Room 33-48-19 84-08-44	Executed 50'	Motorola, Inc. 847-576-1000	12/1/93	
	Downtown	Two Peachtree Street/ Tower Place 33-45-15 84-23-25	MIA	Motorola, Inc.		
	Sawnee Mountain	Motorola Tower/ Sawnee Mountain 34-13-47 84-09-45	Executed 70'	Motorola, Inc.	12/1/93	
	Fairplay	North side of Highway 166 33-37-22 84-53-06	Executed 400'	Motorola, Inc. 847-576-1000	12/1/93	
	Sunny Side	2 miles south of Bear Creek Airport 33-20-43 84-18-00	Executed	Motorola, Inc.	12/1/93	
	Cobb EMC	1512 Church Street Extension, Marietta	Executed	Cobb Electrical Membership Corp.	11/19/93	11/18/96
	Buckhead	101 Marietta Street 33-45-24 84-23-33	Executed 459'	Motorola, Inc.	12/1/93	
Augusta 152.840	North Augusta	Georgia Avenue 33-30-23 81-57-44	Executed 390'	Television Station Partners/WRDW-TV	5/23/94	8/31/99
	Waynesboro	100 Lovers Lane 33-10-42 81-59-24	Executed 363'	WAEG/WAEJ Radio, Inc. 706-854-0440	4/1/89	3/31/99
	Thompson	109 Gordon Street 33-28-16 82-30-16	Executed	BellSouth Telecommunications, Inc. 404-529-6593	8/30/96	8/29/01
Augusta 157.740	Augusta	2400 Barton Chapel Road 33-26-17 82-05-19	Executed 400'	AAT Communications Corporation 908-417-3993	1/1/95	12/31/97
	North Augusta	WBBQ-FM Tower/Sweetwater 33-36-42 81-56-30	Executed 750'	Savannah Valley Broadcasting Co. 770-368-4648	6/1/93	5/31/96
	Girard		MIA	Bailey's C & E		

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Augusta 157.740	Thomson	Hwy 223 at 1110 White 33-29-44 82-24-12	Executed 500'	AAT Communications Corporation 908-417-3993	12/15/94	12/14/99
Augusta 462.750	North Augusta	1305 Georgia Avenue 33-30-23 81-57-44	MIA		4/1/95	3/31/98
	Trenton	Highway 121 33-45-19 81-50-44	Executed	Edgefield-Saluda Radio Co., Inc. 803-275-4444	4/1/95	3/31/98
Birmingham 157.740	Pine Mountain	Pine Mountain at Remlap 33-46-50 86-36-08	Executed 300'	Hinds & Campbell Properties 205-591-8804	6/1/92	
	Oak Mountain	Double Oak Mountain, off Highway 280 S. 33-23-34 86-39-51	Executed 120'	Hinds & Campbell Properties 205-591-8804	6/1/93	
	Goodwin Crest	Goodwin Crest Building	Executed	Motorola, Inc.	9/1/93	
	Alabaster	100 Apogee Street 33-12-62 86-48-14	Pending	Pinnacle Towers, Inc. 941-364-8886	12/1/96	11/30/01
	Anniston	Cheaha Mountain 33-29-20 85-48-52	Executed 180'	Motorola, Inc.		
	Gadsden	Overlook Drive 34-02-14 86-00-00	Executed 300'	McCord Communications, Inc. 205-547-2525	3/3/93	
	Jasper	Skyline Drive 33-50-23 87-18-39	Executed 260'	Hilton Tower Company 205-387-8414	8/1/96	8/1/97
Boston 157.740	North Scituate	Route 102 41-49-46 71-40-44	Executed 230'	Tower Sites, Inc. 800-243-3187	5/1/96	4/30/01
	Falmouth	84 Spring Bars Road 41-33-31 70-35-46	Executed 400'	Radio Falmouth, Inc. 508-778-2888	4/1/96	3/31/01
	Barnstable	765 Oak Street 41-41-19 70-20-47	Executed 190'	ProComm 508-838-0038	6/1/96	5/31/01
	Epsom	On Fort Mountain 43-11-04 71-19-12	Executed 150'	Francis J. Dirico 800-323-7212	4/1/96	3/31/01
	Foxboro	On Dudley Hill 42-05-44 71-13-49	Executed 280'	Industrial Comm. & Elec., Inc. 800-323-7212	4/1/96	3/31/01

TRADEMARK

REEL: 001992 FRAME: 0242

Preferred Networks, Inc
 Transmitter Sites
 Frequency: All

MIA, Missing in Action, Looking for more information
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System/Frequency	Site	Location	Status	Manager	Start	End
Boston 157.740	Goffstown	Mt. Uncanoonuc 42-58-59	Executed 100'	Industrial Comm. & Elec., Inc. 800-323-7212	4/1/96	3/31/01
	Hopkinton	On Champlain Hill 41-29-41	Executed 460'	Industrial Comm. & Elec., Inc. 800-323-7212	4/1/96	3/31/01
	Johnston	Peck Hill 41-48-12	Executed 360'	Industrial Comm. & Elec., Inc. 800-323-7212	4/1/96	3/31/01
	Kingston	Off Nicks Road 41-57-44	Executed 240'	Industrial Comm. & Elec., Inc. 800-323-7212	4/1/96	3/31/01
	Boston	Prudential Building 42-20-49	Executed 750'	Motorola, Inc. 201-447-7515	5/1/96	4/30/97
		Fitchburg	Alpine Hill 42-35-45	Executed 120'	Norman L. Rivers 508-342-9697	4/1/96
	Hingham	Hingham Mountain 42-14-26	Executed 150'	Motorola, Inc. 201-447-7515	5/1/96	4/30/97
		Peiham	172 Jeremy Hill Road 42-44-57	Executed 130'	ProComm, Inc. 508-838-0038	6/1/96
	Paxton	Mount Asnebumskil Road 42-18-19	Executed 315'	ProComm, Inc. 508-248-9732	6/1/96	5/31/01
	Waltham	50 Bearhill Road 42-22-42	Executed 210'	Waltham Towers, Inc. 508-838-0038	6/1/96	5/31/99
		Peabody	WEGQ tower/ 272 Forest Street 43-31-57	Executed 300'	American Tower Systems, Inc. 203-684-4444	8/1/96

Charlotte 157.740	Downtown	First Union Tower, 301 S. Tryon Street 35-13-28	Executed roof	Spectrum Properties 704-358-1000	10/1/94	9/30/99
	Clover	Henry's Knob 35-07-45	Executed	Motorola, Inc. 800-325-2933	7/1/96	6/30/97
		Statesville	1117 Radio Road 34-48-09	Executed	Adventure Communications 704-872-6345	
	Rockhill	280 Porter Road 34-54-43	Executed 350'	Richburg Communications, Inc. 803-385-5095	7/1/96	6/30/01
		Richburg	724 Communications Drive 34-01-12	Executed 330'	Richburg Communications, Inc. 803-385-5095	7/1/96
	Hood Road		8036 Hood Road 35-15-06	Executed 500'	Lodestar Tower Charlotte, Inc. 407-863-5605	9/1/96
		Spencer Mountain	Spencer Mountain 35-17-50	Executed 204'	Jefferson-Pilot Communications Comp 704-374-3500	7/1/96

Preferred Networks, Inc
 Transmitter Sites
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System/Frequency	Site	Location	Status	Manager	Start:	End:
Charlotte 157.740	Salsbury	1628 Stokes Ferry Road	Executed	Antenna Systems, Inc.	9/ 1/96	9/ 1/99
		35-38-57 80-27-15	310'	910-292-2091		
Charlotte Link	Link	First Union Tower, 301 S. Tryon Street	Executed	Spectrum Properties	7/ 1/96	6/30/99
		35-13-28 80-50-43	roof	704-358-1000		
Chattanooga 157.740	Athens	Near Old Decatur Pike, west of Athens	Executed	BVACK Broadcasting	8/ 7/93	8/ 7/98
		Dug Gap Mountain	250'	423-614-8576		
		34-43-59 85-01-08	Executed	Signal One, Inc.	8/ 1/93	8/ 1/96
		Missionary Ridge	60'	615-775-8079		
		119 South Crest Road	Executed	Signal One, Inc.	11/ 1/93	10/31/96
		35-01-21 85-15-42	80'	615-775-8079		
		Evensville	Executed	Signal One, Inc.	8/ 1/93	7/31/96
		35-34-54 84-58-28	180'	615-775-8079		
		Cleveland	Executed	Signal One, Inc.	8/ 1/93	7/31/96
		35-12-03 84-53-00	100'	615-775-8079		
Chattanooga Link	Falling Waters	WDSI-TV Ch 61/Signal Mountain	Executed	American Tower Systems, Inc.	6/26/93	6/25/98
		34-58-21 85-37-58	100'	203-684-4444	8/ 1/93	
Chicago 157.740	Aurora	1950 Biller Road	Executed	Aurora Antenna Rental, Inc.	2/ 1/96	1/31/01
		41-48-27 88-16-06	400'	630-801-0905		
		South Chicago	Executed	MidAmerica Tower Leasing, Inc.	12/ 1/95	12/ 1/98
		851 West Monee Road	310'	815-485-7363		
		41-25-15 87-38-38	Executed	B & B Properties	10/10/95	10/ 9/00
		Creston	600'	800-448-0410		
		Locust Road, .85 miles W of I-39 & I-88	Executed	M & M Broadcasting	1/ 1/96	1/31/01
		41-55-16 88-59-48	250'	219-769-4044		
		Crown Point	Executed	Chicago Tower Leasing Corporation	12/ 1/95	12/ 1/00
		41-19-24 87-21-22	430'	847-823-7713		
Chicago Link	Lake Villa	1510 Cedar Lake Road	Executed	Chicago Tower Leasing Corporation	12/ 1/95	12/ 1/00
		42-23-17 88-05-37	460'	847-823-7713	12/ 1/95	12/ 1/00

Preferred Networks, Inc
 Transmitter Sites
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Chicago 157.740	South Bend	324 W. Garst Street	Executed	Charles S. Hayes, Inc.			
		41-39-47 88-15-15	330'	219-233-1296	12/1/95	12/1/00	
	Elkhart	58555 County Road 7	Executed	Charles S. Hayes, Inc.			
		41-38-41 85-59-11	300'	219-233-1296	5/1/96	4/30/99	
	Warsaw	1609 West Center Street	Executed	Charles S. Hayes, Inc.			
		41-11-22 85-52-45	300'	219-233-1296	5/1/96	4/30/99	
	Rockford	Riverside Boulevard and I-90	Executed	Midwest Tower Leasing, Inc.			
		42-19-11 88-57-15	270'	815-937-1722	6/1/96	5/31/01	
	University Park	East of Governors Highway on Steunkel Rd	Executed	Midwest Tower Leasing, Inc.			
		41-27-15 87-43-22	480'	815-937-1722	6/1/96	5/31/01	
	Michigan City	4226 North 525 West	Executed	Midwest Tower Leasing, Inc.			
		41-40-07 86-48-21	300'	815-937-1722	6/1/96	5/31/01	
	Gary	2702 West 35th Avenue	Executed	Chicago Tower Leasing Corporation			
		41-33-14 87-22-16	500'	847-823-7713	5/1/96	4/30/01	
	Peru-Ladd	3 miles W. of Route 89 on Angling Roa	Executed	Midwest Tower Leasing, Inc.			
		41-24-47 89-16-34	499'	815-937-1722	6/1/96	5/31/01	
	Elgin	39 West 191 Water Road	Executed	B & B Properties			
		42-01-14 88-22-58	500'	815-748-0420	5/15/96	5/14/01	
	IBM Plaza	1 IBM Plaza	Executed	Spectrum Site Management, Corp.			
		41-53-18 87-37-33	720'	713-984-8885	8/1/96	7/31/97	
	Kankakee	E580S-S300E Leggtown Road, Aroma Park	Executed	Midwest Tower Leasing, Inc.			
		41-04-39 87-45-22	380'	815-937-1722	6/1/96	5/31/01	
	Waukegan	32093 North O'Plaine Road	Executed	PlusComm, LLC			
42-19-42 87-54-41		301-596-1000	Emergency Radio Service, Inc.	10/15/96	10/14/01		
Northbrook	933 Skokie Boulevard	Executed	847-842-1761	12/1/96	11/30/01		
	42-08-14 87-47-18						
Cincinnati 157.740	Xenia	645 N. Bickett Road	Executed	SubCarrier Communications, Inc.			
		39-41-54 83-52-55	259'	201-228-4900	7/1/96	6/30/01	
	Morrow	3859 State, Route 350	Executed	SubCarrier Communications, Inc.			
		39-24-23 84-08-14	323'	201-228-4900	7/1/96	6/30/01	
	South Vienna	930 North Urbana Lisbon Road	Executed	SubCarrier Communications, Inc.			
		39-56-17 83-36-28	199'	201-228-4900	7/1/96	6/30/01	
	Tipp City	1225 West Michaels Road	Executed	Cook Farms			
		39-41-54 83-52-55	150'	513-667-3409	7/15/96	8/31/01	
	Dayton	4149 Germantown Pike	Executed	P & R Communications Service, Inc.			
		39-43-51 84-15-47	240'	513-222-0861	8/1/96	7/31/01	

Preferred Networks, Inc

Transmitter Sites

Frequency: All

MIA. Missing in Action, Looking for more information

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System/Frequency	Site	Location	Status	Manager	Start	End
Cincinnati 157.740	Winton Road	6015 Winton Road 39-12-01 84-31-22	Executed 350'	Cincinnati TV-64 LP 513-641-4400	8/ 1/96	7/31/99
Cleveland 157.740	Medina	8165 Tower Road 41-03-04 81-48-47	Executed 230'	Motorola, Inc. 216-267-2210	9/ 1/96	8/31/97
	Copley	Lockhart 300 41-03-10 81-35-18	Executed	Motorola, Inc. 216-267-2210	9/ 1/96	8/31/97
	Austintown	NW of Kirk Street/ WDBN 41-04-22 80-44-31	Executed 380'	Motorola, Inc. 216-267-2210	9/ 1/96	8/31/97
	Ravenna	5730 State Route 5 41-09-03 81-11-16	Executed	Motorola, Inc. 216-267-2210	7/ 1/96	6/30/97
	Avon	2636 Center Road 41-26-55 82-01-45	Executed	Vasu Systems 216-934-5268	11/ 1/96	10/31/01
	Niles	3680 North River Road 41-15-52 80-45-35	Executed 300'	WN Broadcasting, Inc. 330-652-0106		
Columbia 157.740	West Columbia		In review	Communication Specialists 803-798-1743		
	North Columbia		In review	Communication Specialists 803-798-1743		
	Orangeburg		In review	Communication Specialists 803-798-1743		
	Newberry		In review	Communication Specialists 803-798-1743		
	Sumter		In review	Communication Specialists 803-798-1743		
	Little Mountain	Little Mountain 34-11-19 81-24-17	Executed 300'	Riley's Communications, Inc. 803-276-0088	10/ 1/96	9/30/01
	Leesville	Leesville	Executed 460'	Riley's Communications, Inc. 803-276-0088	4/12/96	4/11/01

TRADEMARK

REEL: 001992 FRAME: 0246

Preferred Networks, Inc
 Transmitter Sites
 Frequency: All

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System/Frequency	Site	Location	Status	Manager	Start	End
Columbus 157.740	Phoenix City	Motorola Tower	Executed	Motorola, Inc.		
	Opelika/Auburn	345 Lee Road 118	Executed	Comm Tronics of Alabama, Inc.	8/5/92	
			400'	205-749-8000	8/1/95	
Denver 157.740	Lee Hill	Lee Hill 40-04-19	Executed	Sterling Realty Organization Comp.	8/1/96	7/31/99
	Sedalia	2539 Highway 67 39-23-06	Executed	Western Communications		
	Golden	105-02-51 Lookout Mountain	40'	303-694-0090	8/1/96	7/31/01
	El Dorado Mountain	39-43-59 105-14-12	Executed	Levy, M. Jeffrey		
	Greeley	El Dorado Mountain 39-54-48	Executed	303-698-1111	9/1/96	8/31/99
		3115 35th Avenue 40-23-07	62'	El Dorado Communications, Inc.	303-460-1046	8/31/01
		104-44-12	Pending	Business Radio Communications LLC	970-330-3737	12/1/96 11/30/97
Denver? 157.740	Hilltop	38011 Elbert County Road 5 39-25-14	In review	GPA Enterprises, Inc.	1/1/97	12/31/02
		104-39-15		303-671-9069		
Detroit 157.740	Ypsilanti	6200 Cherry Hill Road 42-17-47	Executed	Midwest Tower, Inc.	6/1/96	5/31/01
	Waltz	83-38-19 25271 Waltz Road	373'	313-981-1641		
	Samaria	42-07-19 83-24-03	Executed	SubCarrier Communications, Inc.	7/1/96	6/30/01
	Bowling Green 2	12150 Douglass Road 41-50-08	289'	201-228-4900		
	Flint	83-36-29 State Route 582	Executed	SubCarrier Communications, Inc.	7/1/96	6/30/01
	Ann Arbor	41-27-28 83-40-34	320'	SubCarrier Communications, Inc.	7/1/96	6/30/01
		120 East First Street 43-00-57	Executed	Teletech, Inc.		
		83-41-24 536 South Forest Avenue	roof	602-661-5000	9/1/96	8/31/01
		42-16-41 83-44-31	Executed	Teletech, Inc.		
				602-661-5000	9/1/96	8/31/01

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157.740	Detroit	23400 Michigan Avenue	Amend-pend	Teletech, Inc.			
		42-18-13 83-15-43	roof	602-661-5000	9/ 1/96	8/31/01	
	Saint Clair Shores	1500 Shore Club Drive	Executed	Teletech, Inc.			
		42-27-49 82-52-40	320'	602-661-5000	9/ 1/96	8/31/01	
	Pontiac	28 North Saginaw Street	Executed	Teletech, Inc.			
		42-38-14 83-17-31	roof	602-661-5000	9/ 1/96	8/31/01	
	Clayton	2400 Townley Highway	Executed	SubCarrier Communications, Inc.			
		41-55-40 84-18-14	140'	201-228-4900	7/15/96	7/14/01	
	Jackson	2511 Kibby Road	Executed	SubCarrier Communications, Inc.			
		42-13-17 84-26-08	310'	201-228-4900	8/ 1/96	7/31/01	
	Springfield	10275 Dixie Highway	Executed	Teletech, Inc.			
		42-46-27 83-29-56	375'	602-661-5000	9/ 1/96	8/31/99	
	Novi	26300 Delwal Drive	Executed	Teletech, Inc.			
		42-29-03 83-27-47	350'	602-661-5000	9/ 1/96	8/31/99	
	Adrian	3935 Academy Road	Executed	Motorola, Inc.			
		41-54-11 83-59-13	324'	216-267-2210	9/ 1/96	8/31/97	
	Bowling Green	Dunipace & Bowling Green Roads	Executed	Wood CableComm			
		41-22-12 83-34-30	Executed	303-756-5600	9/ 1/96	8/31/01	
	Howell	1011 Cedar Lake Road	Executed	F. B. Tauer Company			
		42-34-53 83-59-27	240'	517-355-9649	10/ 1/96	9/30/01	
Downtown	500 Woodward Avenue	Executed	Motorola, Inc.				
	42-19-49 83-02-44	Executed	216-267-2210	11/ 1/96	10/31/97		
Brighton Township	3789 Kensington Road	Executed	Teletech, Inc.				
	42-33-00 83-41-34	Executed	602-661-5000	10/ 1/96	9/30/01		
Frenchtown	6400 Dixie Highway	Executed	Teletech, Inc.				
	41-57-26 83-15-30	400'	602-661-5000	10/ 1/96	9/30/01		
Toledo	716 Westwood Avenue	Executed	PlusComm, LLC				
	41-38-48 83-36-22	323'	301-596-1000	12/ 1/96	11/30/01		
Port Clinton	1399 West Fremont Road	Executed	PlusComm, LLC				
	41-30-27 82-57-47	350'	301-596-1000	12/ 1/96	11/30/01		
Lansing	910 River Street	Executed	Wolverine Towers, Inc.				
	42-43-16 084-33-01	380'	517-351-3333	11/ 1/96	10/31/01		
Indianapolis	Lebanon	Holmes Road	Executed	SubCarrier Communications, Inc.			
		40-01-17 86-24-09	260'	201-228-6605	7/15/96	7/14/01	
157.740	Morristown	City Road 850	Executed	Charles S. Hayes, Inc.			
		39-38-47 85-40-55	Executed	219-233-1296	5/ 1/96	4/ 1/99	

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Indianapolis 157.740	Airport	4747 Kollman Rd., 2 mi S of Airport	Executed	Charles S. Hayes, Inc.	12/ 1/96	12/ 1/99	
		39-41-42 86-16-37	150'				
	Terre Haute	Layher Street	Executed	PlusComm, LLC	2/ 1/96	1/31/01	
		39-26-21 87-24-36					
Jacksonville 157.740	MacClenny	80 km South of SR 121 & I-10	Executed	K.L.M. Towers, Inc.	9/ 1/96	8/31/99	
		30-15-03 82-07-25	320'				
	St. Augustine	St. Augustine	Executed	P.T. Towers, Inc.	9/ 1/96	8/31/99	
		29-51-34 81-20-02	320'				
	Palatka	Frye Road	Executed	HSW Associates, Inc.	9/ 1/96	8/31/99	
		29-41-02 81-35-04	250'				
	Bunnell	407 South Stone Street	Executed	HSW Associates, Inc.	9/ 1/96	8/31/01	
		29-27-38 81-15-29	410'				
	Salt Springs	23561 NE 120th Street	Executed	Alternative Networking, Inc.	9/ 1/96	8/31/01	
		29-19-46 81-45-53	300'				
	Starke	Motorola Starke	Executed	Motorola, Inc.	10/ 1/96	9/30/01	
		29-57-46 82-05-36	300'				
Jacksonville 158.100	Hogan Road	8675-1 Hogan Road	Executed	WJCT, Inc.	9/ 1/95	8/31/96	
		30-16-53 81-34-15	370'				
	Jacksonville Beach	4833 San Pablo Road	MIA				
		30-15-32 81-26-15					
	West Bay Street	301 West Bay Street	Executed	BellSouth Telecommunications, Inc.	8/30/96	8/29/01	
		30-19-38 81-39-45					
St. Augustine	Prado Ave b/I Isla Dr & Saratoga Blvd.	MIA	Bell South (?)	8/30/96	8/29/01		
	29-55-43 81-19-33						
Knoxville 157.740	Morristown	Bonneville Drive on Crocketts Ridge	Executed	Radio Communications Service	8/ 1/95	8/ 1/96	
		English Mountain	75'				
	Newport	Executed	Motorola, Inc.				
Knoxville	Knoxville	331 Sharp Ridge Memorial Drive	Executed	Magnuson, Dwight R.	7/30/95	7/30/96	
		36-00-10 83-56-40	310'				

TRADEMARK

REEL: 001992 FRAME: 0249

Preferred Networks, Inc
Transmitter Sites
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System/Frequency	Site	Location	Status	Manager	Start	End
Knoxville 157.740	Greeneville	8694 Viking Mt Rd/Camp Ck,Bald Mt 36-01-24 082-42-56	Executed	Epperson Communications 423-247-6555	8/1/95	8/1/97
	Kingsport	820 Bays Mountain, Min. Park Road 36-31-26 82-35-47	Executed	Signal One, Inc. 423-954-1111	2/29/96	2/28/98
	Oliver Springs	884 Old Harriman Highway 36-01-31 84-21-29	Executed	Signal One, Inc. 423-954-1111	8/18/95	8/17/00
Las Vegas 157.740	Henderson	Arden Peak 35-56-44 115-02-35	Executed	Motorola, Inc. 619-530-8481	8/1/96	7/31/97
	Boulder City	Red Mountain 5 km West 35-59-45 114-51-46	Executed	Motorola, Inc. 847-576-1000	8/1/96	7/31/97
Los Angeles 157.740	Malibu	Saddle Peak 34-04-35 118-39-27	Executed	Motorola, Inc. 619-530-8481	8/1/96	7/31/97
	Mount Wilson	Mount Wilson 34-13-32 118-03-52	Executed	Motorola, Inc. 619-530-8481	8/1/96	7/31/97
	Corona	Sierra Peak 33-51-00 117-39-05	Executed	Motorola, Inc. 619-530-8481	8/1/96	7/31/97
	Pomona	Sunset Ridge 34-11-17 117-42-16	Executed	Motorola, Inc. 619-530-8481	8/1/96	7/31/97
Macon 157.740	Housing Authority	1212 Gray Highway 32-51-26 83-37-03	MIA	Housing Authority		
	Forsyth	Intersection Colvin & Maynard Ch. 33-01-53 83-52-13	170'			
			Pending	Grid Towers, LLC	3/5/93	3/4/98
	Milledgeville	267 Stembriidge Road, SE 33-03-36 83-10-28	MIA	Prime Communication Sites, LLC 915-692-8164	7/1/93	7/1/98
	Dublin	613 Firetower Road 32-29-15 82-55-49	Pending	Pinnacle Towers, Inc. 941-364-8886	12/1/96	11/30/01
	Warner Robbins	Motorola Tower	300'	Motorola, Inc.		
			Executed		1/1/95	

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Macon 157.740	Hillcrest	667 Bartley Street	Executed	Grid Towers, LLC			
		32-50-31 83-40-19	600'	770-643-8447	3/4/96	3/3/97	
		Sandersville	Executed	American Tower Corporation			
		32-54-45 82-51-01	200'	713-486-7431	11/1/96	10/31/97	
Macon Link	Link	544 Mulberry Street	Executed	Sasser Properties	9/1/92	9/1/95	
		32-50-03 83-38-00	140'				
Miami 152.840	N. Ft. Lauderdale	6451 North Federal Highway	Executed	BellSouth Telecommunications, Inc.			
		26-12-26 80-06-31		404-529-6593	8/30/96	8/29/01	
		325 Gardenia Street	Executed	BellSouth Telecommunications, Inc.			
	West Palm Beach	26-42-34 80-03-11			404-529-6593	8/30/96	8/29/01
		Ft. Lauderdale	Executed	BellSouth Telecommunications, Inc.			
	Perrine	10980 SW 180th Street	Executed	BellSouth Telecommunications, Inc.			
		25-36-03 80-22-14			404-529-6593	8/30/96	8/29/01
	Jupiter	1 mile west of Jupiter	MIA	AT&T Communications, Inc.			
		26-56-04 80-06-33			404-810-4175		
	North Miami	18560 NW 27th Avenue	Executed	BellSouth Telecommunications, Inc.			
		25-56-33 80-14-47			404-529-6593	8/30/96	8/29/01
	Miami	100 North Biscayne Blvd.	Executed	Gabriel Communications			
					305-792-1234	9/1/95	
	Delray	321 SE 2nd Avenue	Executed	BellSouth Telecommunications, Inc.			
					404-529-6593	8/30/96	8/29/01
Sunrise	1601 North Harrison Parkway	Executed	Alternative Networking, Inc.				
	26-08-36 80-19-55	210'		954-581-9929	1/1/95	12/31/97	
Hialeah	478 West 28th Street	Executed	Alternative Networking, Inc.				
	25-50-52 80-17-30	260'		954-581-9929	12/1/95	11/30/00	
Loxahatchee	20 Mile Bend/Belle Glade	Executed	Motorola, Inc.				
	26-43-31 80-21-56			708-538-3979	9/30/95		
Key Largo	7 mi W of Largo Sound	Executed	BellSouth Telecommunications, Inc.				
	25-07-19 80-24-58			404-529-6593	8/30/96	8/29/01	
Miami 157.740	Biscayne	Biscayne Building, at First Street	Executed	Motorola, Inc.	8/1/96	7/31/97	
		25-46-20 80-11-20	756'				

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Milwaukee 157.740	Downtown	606 West Wisconsin Avenue	Executed	PlusComm, LLC		
		43-02-19 87-55-11		301-596-1000	10/ 1/96	9/30/01
	Waukesha	S42 W22180 Beeheim Road	Executed	Waukesha Tower Associates		
		42-58-05 88-11-19	370'		12/ 1/96	11/30/01
	Kenosha	625 57th Street	Executed	PlusComm, LLC		
		42-35-03 87-49-05	125'	301-596-1000	1/ 1/97	12/31/02
Minneapolis 157.740	IDS Center	80 South 8th Street	Executed	Broadcast Services, Inc.		
		44-58-32 93-16-18	775'	317-895-9050		
NY Metro 152.600	Selden BAP	Adirondack Drive	Executed	Communications Leasing, Inc.		
		40-50-32 73-01-35		516-576-1210	6/ 1/96	5/31/98
	Plainview BAP	1 Fairchild Avenue	Executed	Communications Leasing, Inc.		
		40-47-45 73-27-46		516-576-1210	6/ 1/96	5/31/98
	Glen Oaks BAP	269-10 Grand Central Parkway	Executed	Communications Leasing, Inc.		
		40-47-45 73-27-46		516-576-1210	6/ 1/96	5/31/98
NY Metro 157.740	Plainview	1 Fairchild Ave	Executed	Communications Leasing, Inc.		
		40-47-43 073-27-45	210'	516-576-0910	12/ 1/95	11/30/97
	Glen Oaks	269-10 Grand Central Ave	Executed	Communications Leasing, Inc.		
		40-45-27 073-43-02	375'	800-359-2337	12/ 1/95	11/30/97
	Mount Beacon	North Beacon Mountain	Executed	Micronet, Inc.		
		41-29-18 73-56-45	50'	941-364-8886	9/ 1/95	8/31/00
	New York	152 West 57th Street	Executed	SubCarrier Communications, Inc.		
		40-45-55 73-58-49	770'	201-228-4900	12/ 1/95	11/30/00
	Middletown	55 Fulton Street	Executed	AAT Communications Corporation		
		41-26-32 74-25-17	110'	908-417-3993	12/ 1/95	11/30/99
Putnam Valley	7 Barger Hill Road	Executed	Reliable Communications, Inc.			
	41-23-07 73-50-15	140'	914-737-3800	12/ 1/95	12/30/98	

Preferred Networks, Inc

Transmitter Sites

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System/Frequency NY Metro	Site	Location	Status	Manager	Start	End
157.740	White Plains	44 South Broadway 41-01-50 73-46-29	Executed	Westchester ONE 914-472-2000	2/1/96	1/31/98
	Selden	Lidge Drive, Farmingville 40-50-32 73-02-23	Executed	High-Tower Communications, Inc. 516-874-3558	12/1/95	11/30/00
	Central Islip	Blydensburg Road/Happague 40-48-57 73-10-47	Executed	AAT Communications Corporation 908-417-3993	12/1/95	11/30/00
	Manorville	Eastport Manor Road & Route 111 40-51-18 72-46-10	Executed	Transmission Facility, Inc. 5/1/96	5/1/96	4/30/01
	Forest Hills	102-10 66th Road 40-43-42 73-51-07	Executed	AAT Communications Corporation 908-417-3993	12/1/95	11/30/00
	Bronx	3450 Wayne Avenue 40-52-47 73-52-41	Executed	AAT Communications Corporation 908-417-3993	12/1/95	11/30/00
	Brooklyn	140 Cadman Plaza West 40-41-57 73-59-31	Executed	AAT Communications Corporation 908-417-3993	12/1/95	11/30/00
	Staten Island	700 Victory Boulevard 40-37-34 74-05-30	Executed	AAT Communications Corporation 908-417-3993	12/1/95	11/30/00
	Warwick	2.8 miles south of Warwick off Route 94 41-12-30 74-21-23	Executed	Micronet, Inc. 8002207400(109)	1/1/96	1/10/01
	Esopus	6 miles south of Kingston off Route 9 W. 41-50-27 73-59-45	Executed	Micronet, Inc. 8002207400(109)	1/1/96	1/10/01
	Monsey	Route 59 41-06-34 74-04-56	Executed	Towerpro Communications 609-722-0909	2/1/96	1/1/99
	Verona	Clardge House 40-50-04 74-13-20	Executed	Motorola, Inc. 201-447-7515	3/15/96	3/15/97
	Sag Harbor		In Review	Transmission Facility, Inc.		
		40-58-23 72-20-15	40'			
	East Brunswick	Tower Center One, Route 18 40-28-47 73-50-56	Executed	AAT Communications Corporation 908-417-3993	4/1/96	3/31/01
	Long Island City	One Court Square 40-45-14 73-56-34	Pending roof	AAT Communications Corporation 908-417-3993	11/1/96	10/31/01
	Bedford Hills	165 Haines Road 41-14-20 73-42-46	Executed	AAT Communications Corporation 908-417-3993	11/1/96	10/31/01
	Murfreesboro	Short Mountain/Gunter Hollow Road 35-51-46 85-58-14	Executed	DeKalb Telephone Cooperative 615-529-2151		
	Nolensville	9623 Clovercroft Avenue 35-53-20 86-42-46	Executed	Prime Communication Sites, LLC 800-555-8935	5/1/96	4/30/01

TRADEMARK

REEL: 001992 FRAME: 0253

Preferred Networks, Inc
 Transmitter Sites
 Frequency: All

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System/Frequency	Site	Location	Status	Manager	Start	End
Nashville 157.740	Lebanon	Medlin Property 36-09-25 86-22-32	Executed	Motorola, Inc. 847-576-1000	12/ 1/96	11/30/97
	Nashville	Brown Tower 36-16-12 86-52-18	Executed	Motorola, Inc. 847-576-1000	12/ 1/96	11/30/97
	New Columbia	Motorola Columbia 35-39-03 86-58-48	Executed	Motorola, Inc. 847-576-1000	12/ 1/96	11/30/97
	Clarksville	Motorola Clarksville 36-09-25 87-25-22	Executed	Motorola, Inc. 847-576-1000	12/ 1/96	11/30/97
Norfolk 157.740	Hampton	1930 East Pembroke Avenue 37-02-20 76-18-30	Executed	Metro Call, Inc. 703-660-6677	4/ 1/96	3/31/01
	Virginia Beach	1945 Kempsville Beach 36-46-52 76-11-43	Executed	SubCarrier Communications, Inc. 201-228-4900	4/ 1/96	3/31/01
	Williamsburg	4007 Ironbound Road 37-16-37 76-45-07	Executed	G-Square, Inc. 7/ 1/96	7/ 1/96	7/ 1/01
Oakland 157.740	San Leandro	14721 Van Avenue 37-42-58 122-07-19	Executed	Puckeylow, Harold 510-351-4490	8/ 1/96	7/31/99
	Danville	Mount Diablo 37-52-54 121-55-05	Executed	Diablo Communications, Inc. 510-236-3803	8/ 1/96	7/31/99
Orlando 157.740	Ferndale	Sugarloaf Mountain 28-38-45 81-43-50	Executed	Greg Homan 847-576-1000	5/14/96	5/13/01
	Kissimmee	Parlin Settlement Road 28-16-45 81-20-35	Executed	Pinnacle Towers, Inc. 941-364-8886	6/ 1/96	5/31/01
	Longwood	1155 Charles Street 28-41-20 81-20-55	Executed	Florida Mobile Telephone, Inc. 407-423-8561	5/ 1/96	4/30/01
	Orange City	520 Miller Road 28-55-16 81-19-09	Executed	Lodestar Tower Orlando, Inc. 407-863-5605	5/ 1/96	5/ 1/01
	Bithlo	2000 Fort Christmas Road 28-34-51 81-04-32	Executed	TowerCom, Limited 954-846-1181	9/ 1/96	8/31/97

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System/Frequency	Site	Location	Status	Manager	Start	End	
Orlando 157.740	Haines City	County Road 580 28-07-35 81-33-03	Pending 300'	Tower Tech. Corp. of Tampa Bay 813-854-1518			
	Lakeland	4604 Knights Station Road 28-02-27 82-04-48	Executed 300'	Tower Tech. Corp. of Tampa Bay 813-854-1518	6/15/96	6/30/01	
	Barberville	1864 County Road 3 29-10-52 81-24-56	Executed 300'	Pinnacle Towers, Inc. 941-364-8886	10/ 1/96	9/30/01	
	Oak Hill	150 West Putnam Grove Road 28-50-54 80-51-44	Pending 450'	Alternative Networking, Inc. 800-733-9929	10/ 1/96	9/30/01	
	Umatilla	19430 East 3rd Street 28-56-07 81-38-03	Executed 123'	Alternative Networking, Inc. 800-733-9929	10/ 1/96	9/30/01	
	Wildwood	7miSofSR466,1miWofSumter&LakeCountylin 28-51-19 81-58-12	Executed 350'	Alternative Networking, Inc. 800-733-9929	10/ 1/96	9/30/01	
	Palm Bay	Minton Road/I-95 Overpass 28-02-54 80-40-34	Executed 310'	GEM Broadcasting, Inc. TimeWarnerEnt.-Adv/NewhouseComp 407-254-3300	9/ 1/96	8/31/01	
	Cocoa	Lake Poinsett Road 28-21-14 80-48-57	Executed 300',75'				
	Orlando 931.2625	Orlando	200 S. Orange Ave./Sun Bank Bldg.	Executed	Motorola, Inc.		
		Christmas	1.5 miles NW of Christmas 28-32-39 81-01-42	Executed	BellSouth Telecommunications, Inc. 404-529-6593	8/30/96	8/29/01
		Titusville	620 Hopkins Avenue 28-36-29 80-48-32	Executed	BellSouth Telecommunications, Inc. 404-529-6593	8/30/96	8/29/01
		Cocoa	712 Florida Avenue 28-04-50 80-36-31	Executed	BellSouth Telecommunications, Inc. 404-529-6593	8/30/96	8/29/01
		Melbourne	728 Palmetto Avenue 28-04-50 80-36-31	Executed	BellSouth Telecommunications, Inc. 404-529-6593	8/30/96	8/29/01
		Sanford	501 West 9th Street 28-48-13 81-16-21	Executed	BellSouth Telecommunications, Inc. 404-529-6593	8/30/96	8/29/01
		Lake Buena Vista	1900 Buena Vista Drive 28-22-35 81-30-52	Executed	Motorola, Inc.		
		Longwood	1155 Charles Avenue 28-41-20 81-20-55	Executed 400'	Florida Mobile Telephone, Inc. 9/ 1/95		
		Orlando-Radisson	5555 Hazeltine Drive 28-27-46 81-18-43	Executed 148'	Florida Mobile Telephone, Inc. 2/ 1/92		12/31/96
		Lakeland	4606 Knights Station Road 28-04-41 82-02-26	Executed	Tower Tech. Corp. of Tampa Bay 813-854-1518	9/ 1/95	12/31/96
		Haines City	County Road 580 28-07-35 81-33-03	Executed	Tower Tech. Corp. of Tampa Bay 813-854-1518	12/ 1/96	11/30/01

TRADEMARK

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Preferred Networks, Inc
 Transmitter Sites
 Frequency: All

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System/Frequency	Site	Location	Status	Manager	Start	End	
Philadelphia 157.740	Ritz Tower	206 South 13th Street 39-56-55 75-09-46	Executed 321'	Micronet, Inc. 215-491-7400	2/8/95	2/7/00	
	Mount Laurel	0.3 miles west of NJ Turnpike 39-56-03 74-53-40	Executed 260'	Micronet, Inc. 215-491-7400	1/25/95	1/25/00	
	Penbryn	1 miles SE of Penbryn, NJ 39-45-43 74-56-26	Executed 260'	Micronet, Inc. 215-491-7400	1/25/95	1/25/00	
	Wyndmoor	1230 East Mermaid Lane 40-04-58 75-10-54	Executed 255'	AAT Communications Corporation 908-417-3993	1/1/95	1/1/98	
	Fairless Hills	off Lincoln Hwy 40-11-22 74-50-47	Executed 400'	American Tower Systems, Inc. 203-684-4444	12/1/94	11/30/99	
	Atlantic City	The Taj Mahal, Pacific Av/Boardwalk 39-21-36 74-25-12	Executed 525'	SubCarrier Communications, Inc. 201-228-4900	6/15/95	6/14/00	
	Chester	Booth Corners 39-50-51 75-29-45	Executed 200'	AAT Communications Corporation 908-417-3993	8/1/95	8/1/98	
	Milmay	Town of Milmay, Buena Vista, NJ 39-26-20 74-52-03	Executed 300'	Mueller Associates, Inc. 215-947-9677	12/1/96	11/30/99	
	Phoenix 157.740	Prescott	Mingus Mountain 34-41-40 112-07-35	Executed 72'	Motorola, Inc. 602-271-7585	8/1/96	7/31/97
		Mesa	Jensen Hill 33-26-44 111-37-19	Executed 52'	Motorola, Inc. 602-271-7585	8/1/96	7/31/97
		Phoenix	Phelps Dodge 33-27-03 112-04-20	Executed	Motorola, Inc. 602-271-7585	8/1/96	7/31/97
		Scottsdale	Fountain Hills, near Hwy 87 33-35-16 111-45-38	Executed 29'	Motorola, Inc. 602-271-7585	8/1/96	7/31/97
		South Mountain	Central and Dobbins 33-19-57 112-03-56	Executed	Motorola, Inc.	8/1/96	7/31/97
Pittsburgh 157.740		Crane Avenue	In Banksville Park on Crane Avenue 40-24-54 80-02-20	Executed 450'	Crown Communications 412-788-0906	6/1/95	5/31/00

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Pittsburgh 157.740	Kittanning	Route 85 North	Executed	Crown Communications			
		40-48-57 79-30-10	400'	412-788-0906	6/1/95	5/31/00	
	New Kensington	Logan's Ferry Road	Executed	Crown Communications			
		40-31-50 79-45-19	400'	412-788-0906	6/1/95	5/31/00	
	Coraopolis	451 Moon Clinton Road	Executed	Crown Communications			
		40-30-32 80-14-35	84'	412-788-0906	6/1/95	5/31/00	
	Lexington	2599 Palumbo Drive	Cancelled				
		38-00-54 84-26-18	499'	Crown Communications/Motorola, Inc.	6/1/95	5/31/00	
	Greensburg	Route 30, Mount Odin Park	Executed	Crown Communications			
		40-18-24 79-34-14	375'	412-788-0906	6/1/95	5/31/00	
	Zelienople	Upper Harmony Road	Executed	Crown Communications			
		40-49-07 80-05-06	300'	412-788-0906	6/1/95	5/31/00	
	Canonsburg	Lindley Road	Executed	Crown Communications			
		40-14-12 80-11-16	150'	412-788-0906	6/1/95	5/31/00	
	Uniontown	Summit Road	Executed	Crown Communications			
		39-48-41 79-41-29	200'	412-788-0906	6/1/95	5/31/00	
	Glassport	First Street	Executed	Crown Communications			
		40-18-59 79-52-42	400'	412-788-0906	6/1/95	5/31/00	
	New Castle	Cascade Street	Executed	Crown Communications			
		40-59-35 80-19-14	450'	412-788-0906	6/1/95	5/31/00	
Allentown	720 East Rock Road	Executed	BDS Communications, Inc.				
	40-33-58 75-26-06	135'	610-989-1791	6/1/96	5/31/01		
Pittsgrove	2.5 mi NE of Pittsgrove	Pending	MicroNet, Inc.				
	39-38-09 75-11-33	200'	215-491-7400				
Portland 157.740	Mount Scott	Mount Scott	Executed	Northwest Antenna Site Services, Inc			
		45-27-17 122-33-01	279'	800-774-6277	8/1/96	7/31/98	
	Eugene	4565 Blanton Road	Executed	Silke Communications, Inc.			
		44-00-11 123-06-48	387'	541-687-7611	8/1/96	7/31/01	
	Healy Heights	Healy Heights	Executed	Northwest Antenna Site Services, Inc			
		45-29-20 122-41-40		800-774-6277	11/1/96	7/31/98	
	Camas	Mt. Livingston	Pending	Motorola, Inc.			
				847-576-1000	1/1/97	12/31/97	
	Medford	Mt. Baldy	Pending	Motorola, Inc.			
				847-576-1000	1/1/97	12/31/97	

Preferred Networks, Inc

Transmitter Sites

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Raleigh 157.740	Durham	3306 Rose of Sharon Road 36-03-34 78-57-13	Executed 470'	Tower Communications, Inc. 919-781-3497	4/ 1/96	3/31/01	
	Apex	4200' NE of Int. of NC St./Rts 1153&1154 35-41-24 78-51-28	Executed 400'	Tower Communications, Inc. 919-781-3497	4/ 1/96	3/31/99	
	Raleigh	1800' NNW of Int. NC St./Rts 1315 & 1319 35-47-15 78-43-39	Executed 400'	Tower Communications, Inc. 919-781-3497	4/ 1/96	3/31/99	
	Rolesville	Int. of NC St./Route 1945 & US Rt 401 35-55-23 78-27-29	Executed 350'	Tower Communications, Inc. 919-781-3497	4/ 1/96	3/31/01	
	Chapel Hill	6.8 miles WSW of Chapel Hill 35-52-20 79-09-29	Executed 450'	SFX Broadcasting, Inc. 919-361-1429	5/ 1/96	4/30/01	
	Downtown	Two Hanover Square/434 Fayetteville Mall 35-46-27 78-38-25	Executed	Capital Associates 919-839-8400	6/ 1/96	5/31/01	
	Rochester 157.740	Rochester	WRRM tower/ off Colfax and Emerson Str 43-10-14 77-40-23	Executed 500'	American Tower Systems, Inc. 203-684-4444	8/ 1/96	7/31/01
		South Bristol	Stid Hill Road 42-44-30 77-23-15	Executed	TJ Communications 716-394-1482	10/ 1/96	9/30/01
		Freedom	County Line Road 42-27-41 78-18-23	Executed	TJ Communications 716-394-1482	10/ 1/96	9/30/01
		Dansville	Acomb Road 42-30-36 77-38-10	Executed	TJ Communications 716-394-1482	10/ 1/96	9/30/01
Prattsburg		Gay Road 42-32-47 77-22-03	Executed	TJ Communications 716-394-1482	10/ 1/96	9/30/01	
Elmira		Crane Road 42-07-47 76-47-24	Executed	TJ Communications 716-394-1482	10/ 1/96	9/30/01	
Bath		O'Brien Road 42-20-07 77-27-27	Executed	TJ Communications 716-394-1482	10/ 1/96	9/30/01	
Alfred		Moland Road 42-15-25 77-43-20	Executed	TJ Communications 716-394-1482	10/ 1/96	9/30/01	
Sacramento 157.740		Cameron Park	Pine Hill 38-43-10 120-59-23	Executed 66'	Motorola, Inc 619-530-8481	7/ 1/96	6/30/97

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Preferred Networks, Inc
 Transmitter Sites
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System/Frequency	Site	Location	Status	Manager	Start	End	
Sacramento 157.740	New Castle	Chantry Hill	Executed	Motorola, Inc.			
		38-52-33	82'	619-530-8481	7/1/96	6/30/97	
	Rancho Cordova	1211 Point East Way	Executed	Motorola, Inc.			
		38-36-22	121-16-10	131'	619-530-8481	7/1/96	6/30/97
	Calistoga	Mount St. Helena	Executed	Diablo Communications, Inc.			
		38-39-22	122-36-57	80'	510-236-3700	8/1/96	7/31/99
	Vacaville	Mount Vaca North	Executed	Diablo Communications, Inc.			
		38-24-22	122-06-28		510-236-3803	8/1/96	7/31/99
	Glen Ellen	Mount Veeder	Executed	Accord Communications			
		38-22-23	122-27-44	48'	704-833-5027	9/1/96	10/1/96
	Dixon	8757 Pedrick Road	Executed	Westel Holdings			
		38-29-44	121-48-23		916-763-9900	9/1/96	8/31/99
Sebastopol	4914 Burnside Road	Executed	Ferrera & Associates				
	38-20-43	122-51-37	112'	707-538-3801	8/1/96	7/31/01	
San Diego 157.740	Ramona	Mount Woodson (near Ramona)	Executed	Meridian Communications			
		33-00-34	116-58-11	800-400-7483	8/1/96	7/31/99	
	San Marcos	Lake San Marcos Peak	Executed	PAR Tower Communications, Inc.			
		33-06-40	117-12-05	80'	619-560-5464	8/30/96	7/29/99
	Union Bank Building	Union Bank Building, 530 "B" Street	Executed	Northwest Asset Management			
		32-43-05	117-09-32	311'	619-230-4405	6/1/96	5/31/97
San Francisco 157.740	Novato	Big Rock Ridge	Executed	Motorola, Inc.			
		38-03-33	122-36-10	62'	619-530-8481	7/1/96	6/30/97
	San Mateo	Belmont Hill	Executed	Motorola, Inc.			
		37-31-17	122-18-22	40'	619-530-8481	7/1/96	6/30/97
	Fine Street	899 Pine Street	Executed	Motorola, Inc.			
		37-47-27	122-24-33	201'	619-530-8481	7/1/96	6/30/97
	Port Chicago	TV Hill	Executed	Diablo Communications, Inc.			
		38-01-49	122-00-03	50'	510-236-3803	8/1/96	7/31/99
	San Rafael	Mount Tamalpais	Pending	Diablo Communications, Inc.			
		37-55-44	122-35-11	80'	510-236-3803	8/1/96	7/31/99
Sutro Tower	Sutro Tower	Executed	Diablo Communications, Inc.				
	37-45-20	122-27-05	248'	510-236-3803	8/1/96	7/31/97	

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 Transmitter Sites
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System/Frequency	Site	Location	Status	Manager	Start	End
San Jose 157.740	Modesto	Red Lion Inn/ 928 12th Street	Executed	Diablo Communications, Inc.	8/ 1/96	7/31/99
		37-38-30 120-59-51	148'	510-236-3700	8/ 1/96	
	Chualar	Mount Toro	Executed	Diablo Communications, Inc.	8/ 1/96	7/31/99
		36-32-06 121-37-09	41'	510-236-3700	8/ 1/96	
	Los Gatos	Loma Prieta	Executed	Diablo Communications, Inc.	8/ 1/96	7/31/99
		37-06-39 121-50-31	141'	510-236-3803	8/ 1/96	
	Westley	Mount Oso	Amend-pend	Diablo Communications, Inc.	8/ 1/96	7/31/99
		37-30-26 121-22-19		510-236-3803	8/ 1/96	
	Mount Bullion	Mount Bullion	Amend-pend	Diablo Communications, Inc.	8/ 1/96	7/31/99
		37-33-20 120-03-34	160'	510-236-3803	8/ 1/96	
Santa Clara	Aborn Road	Executed	Diablo Communications, Inc.	8/ 1/96	7/31/99	
	37-19-23 121-45-15	190'	510-236-3803	8/ 1/96		
Satellite 157.740	Montgomery	WHOA 32 TV	Executed	Motorola, Inc.	9/ 1/93	12/31/96
		32-22-04 86-15-43	480'		9/ 1/93	
	Selma	Selma	Executed	James R. Fincher	1/ 1/96	12/31/96
		32-20-31 87-11-42	350'		1/ 1/96	
	Huntsville	Green Mountain	Executed	Motorola, Inc.	1/ 1/95	
		34-37-18 86-31-02	200'		1/ 1/95	
	Tusculumbia	Tusculumbia	Executed	Motorola, Inc.	1/ 1/95	
		34-40-03 87-42-04	200'		1/ 1/95	
	Trinity	Trinity Mountain	Executed	Pinnacle Sites, Inc.	8/ 1/93	7/31/98
				800-239-9800	8/ 1/93	
	Orlando	Sun Bank Building	Pending	Motorola, Inc.	8/ 1/95	7/31/96
				708-538-7446	8/ 1/95	
	Brunswick	Ella Park Church Road, Waverly	Executed	Signal One, Inc.	5/12/94	5/11/97
		31-03-24 81-36-08	300'	615-775-8079	5/12/94	
	Greenville	Lake Circle Drive	Executed	Morris Communications, Inc.	8/ 1/95	7/31/00
		34-55-25 82-24-10	120'	864-288-5992	8/ 1/95	
Leesburg	Motorola Tolee Plantation	Executed	Motorola, Inc.	7/ 1/94		
Albany	1214 Greenvale Avenue	Executed	RCE Leasing, Inc.	2/ 1/96	1/31/99	
	31-34-41 84-11-06	400'		2/ 1/96		

Preferred Networks, Inc
 Transmitter Sites
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System/Frequency Satellite	Site	Location	Status	Manager	Start:	End:
157.740	Asheville	Spivey Mountain	Executed	Comair		
	Lake City	Lake City S Tower, SR 47 N of I-75 30-08-59 82-39-07	Executed	704-254-1947 NEF, Inc.	4/ 1/95	3/30/99
	Gainesville	7325 NW 13th Boulevard, Unit Bay 41	Executed	Motorola, Inc.	9/ 7/95	9/ 6/98
	Ocala	Motorola Tower, 4940 NW Wire Road	Executed	Motorola, Inc.	10/ 1/95	9/30/96
	Daytona	900 Indian Lake Road	Executed	Lodestar Tower Daytona, Inc.	10/ 1/95	9/30/96
	Jacksonville	Independent Square 30-19-09 81-39-24	Executed	407-863-5605	10/ 1/95	9/30/00
	Richmond	1147 Old Bon Air Road 37-30-31 77-34-37	Executed	Broadcast Services, Inc.		
	Greensboro	1007 Warren Street 36-03-36 79-49-14	Executed	317-895-9050	9/15/95	9/14/98
	Winston Salem	2400 North Liberty Street 36-07-08 80-14-11	Executed	American Tower Systems, Inc.		
	Tampa	First Florida Tower 27-56-50 82-27-35	Executed	203-684-4444	2/ 8/94	2/ 7/99
	Denver	1776 Grant Street 39-44-39 104-58-57	Pending	Antenna Systems, Inc.		
	Myrtle Beach	3274 International Drive 33-47-06 78-52-44	Executed	Antenna Systems, Inc.	5/ 1/96	5/ 1/99
	Savannah	1311 West 52nd Street 32-02-52 81-07-26	Executed	910-292-2091	5/ 1/96	5/ 1/99
	Statesboro	Highway 675 32-22-53 81-46-27	Executed	Motorola, Inc.		
	Springfield	Highway 119	Executed	847-576-1000	11/15/96	11/14/96
	Hilton Head	Carolina Comm., Bluffton, SC	Pending	Warwick Denver Corporation		
			Executed	303-861-2000	5/ 1/96	5/ 1/98
			Executed	Myrtle Beach Communications, Inc.		
			Executed	803-448-7734	10/ 1/96	9/30/01
	Savannah	Signal One, Inc.	Executed		5/11/94	5/10/97
	Statesboro	Claxton Tower, Inc.	Executed			
	Springfield	813-738-0226	Executed		5/ 1/95	4/30/98
	Hilton Head	Savannah Electric & Power Co.	Executed			
		912-232-7171	Executed		9/ 1/95	9/ 1/98
		Motorola, Inc.	Pending			
		847-576-1000	Executed		12/ 1/96	11/30/97

Preferred Networks, Inc
 Transmitter Sites
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System/Frequency Seattle	Site Seafirst Center	Location 701 5th Avenue 47-36-17	122-19-46	Status Executed	Manager Broadcast Services, Inc.	Start: 7/ 1/96	End: 6/30/99
	Preston	East Tiger Mountain 47-29-15	121-56-45	Executed 153'	Northwest Antenna Site Services, Inc	8/ 1/96	7/31/98
	Wenatchee	Wenatchee Peak 47-16-30	120-24-15	Executed 82'	Northwest Antenna Site Services, Inc	8/ 1/96	7/31/98
	Buck Mountain	Buck Mountain 47-45-12	122-55-42	Executed 37'	Nextel Communications	9/ 1/96	8/31/97
	Orting	Spar Pole Hill 47-02-52	122-08-33	Executed	Goldspar Communications	10/ 1/96	9/30/01
	Aberdeen	Cosmopolis Hill 46-56-00	123-43-30	Executed	Goldspar Communications	10/ 1/96	9/30/01
	Port Townsend	Maynard Peak 48-00-58	122-55-32	Executed	Goldspar Communications	10/ 1/96	9/30/01
	Chelalis	Crego Hill 46-33-17	123-03-27	Executed	Goldspar Communications	10/ 1/96	9/30/01
	Bremerton	Gold Mountain 47-32-52	122-46-53	Executed	Goldspar Communications	10/ 1/96	9/30/01
	Kent	23454 30th Avenue South 47-23-29	122-17-30	Executed 20'	Ratelco Properties Corporation	12/ 1/96	11/30/97
	Richland	Rattlesnake Ridge		Pending	Motorola, Inc.	1/ 1/97	12/31/97
	Enumclaw	Three Rivers		Pending	Motorola, Inc.	1/ 1/97	12/31/98
	Castlerock	Abernathy		Pending	Motorola, Inc.	1/ 1/97	12/31/97
	Snohomish	Clearview Hill		Pending	Motorola, Inc.	1/ 1/97	12/31/97
	Everett	Gunsight Ridge		Pending	Motorola, Inc.	1/ 1/97	12/31/98
Southern Cal. 157.740	Coalinga	Joaquin Ridge 36-18-14	120-24-07	Executed 51'	Diablo Communications, Inc.	8/ 1/96	7/31/99

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System/Frequency	Site	Location	Status	Manager	Start:	End:	
Tampa 157.740	Largo	16th Avenue, SE	Executed	Motorola, Inc.			
		27-54-09 82-46-54	490'	847-576-1000	8/ 1/96	7/31/97	
	Port Richey	11204 U.S. Highway 19N	Executed	Pinnacle Towers, Inc.			
		28-19-27 82-41-56	310'	941-364-8886	9/ 1/96	8/31/01	
	Dade City	20239 U.S. 301	Executed	HSW Associates, Inc.			
		28-27-05 82-11-20	420'	813-264-6466	9/ 1/96	8/31/01	
	Ruskin	1801 27th Street SE	Pending	HSW Associates, Inc.			
		27-41-51 82-23-49		813-264-6466	11/ 1/96	10/31/01	
	Tuscon	Tuscon Mountain	Grant Road, Tuscon Mountain	Executed	Motorola, Inc.		
			32-14-56 111-06-59	72'	602-271-7585	8/ 1/96	7/31/97
Black Mountain			Executed	Lodestar Tower California, Inc.			
		33-03-10 114-49-34		818-840-1555	9/ 1/96	8/31/01	
Washington, DC 157.740	Arlington	WAVA Tower/ 5232 Lee Highway	Executed	American Tower Systems, Inc.			
		38-53-44 77-08-04	300'	203-684-4444	11/15/93	11/14/98	
	Chester	201 Tower Run	Executed	Blanton Tower Leasing, Inc.			
		38-58-06 076-15-21	350'	410-647-2841	1/ 1/94	1/ 1/99	
	Baltimore	5 East Redwood Street	Executed	Micronet, Inc.			
		39-17-19 76-36-52	360'		2/ 1/94	7/31/98	
	Aberdeen	2.5 miles west of Aberdeen	Executed	Micronet, Inc.			
		39-30-54 76-14-26	300'		3/15/94	3/15/99	
	Elkton	4.5 miles NW of Elkton	Executed	Micronet, Inc.			
		39-40-45 75-51-44	260'		3/15/94	3/14/99	
	Reisterstown	0.5 mi W of Reisterstown Rd (US Rt 140)	Executed	Baltimore Gas & Electric Company			
		39-27-52 76-50-36	211'	410-281-3311	5/ 1/94	4/30/99	
	Severn	1 miles SE of Severn/ Thompson Road	Executed	Micronet, Inc.			
		39-07-50 76-40-54	132'		3/15/94	3/14/99	
	District Heights		5605 Walker Mill Road, Suitland	Executed	Cook Inlet Radio Partners, LP		
	Waldorf		WXTR Tower/ 3.4 km E SR 5 on SR 382	Executed	203-684-4444	2/ 4/94	1/31/99
			38-37-07 76-50-42	400'	American Tower Systems, Inc.		
Warrenton		WRCY Tower/ View Tree Mountain	Executed	203-684-4444	2/ 1/94	1/31/99	
		38-44-31 77-50-07	190'	First Virginia Communications			
					1/15/94	1/14/99	

Preferred Networks, Inc
 Transmitter Sites
 Frequency: All

MIA: Missing in Action, Looking for more information
 Pending: Waiting for fully executed copy to be returned
 Executed: Completely signed document on file

System/Frequency	Site	Location	Status	Manager	Start	End
Washington, DC 157.740	Loudon Heights	Short Hill MI/ Loudon Heights	Executed	American Tower Systems, Inc.		
		39-17-43 77-42-14	259'	203-684-4444	3/25/94	3/24/99
	Gaithersburg	555 Quince Orchard Road	Executed	SubCarrier Communications, Inc.		
		39-08-33 77-13-14	120'	201-228-6605	6/ 1/94	5/31/99
	Woodbridge	Days Inn/ 14619 Potomac Mills Road	Executed	Days Inn-Potomac Mills		
				703-494-4433		
	Columbia	East side of Leishear Road	Executed	Baltimore Gas & Electric Company		
		39-08-28 76-52-22	200'	410-281-3311	11/15/94	11/14/99
	Berlin	Griffin Road	Executed	Micronet Delmarva Associates, L.P.		
		38-20-57 75-11-07	340'		12/ 1/94	11/30/99
	Lexington	Route 245 & Firetower Road	Executed	Micronet, Inc.		
		38-14-35 76-29-40	170'	215-491-7400	9/ 1/95	8/31/00
	Towson	28 Allegheny Avenue	Executed	SubCarrier Communications, Inc.		
		39-21-36 74-25-12		201-228-4900	1/ 1/96	12/31/00
	Laurel		MIA			
	Crystal City	1425 South Eads Street	Executed	AAT Communications Corporation		
		39-59-27 75-49-02	182'	908-417-3993	8/ 1/95	7/31/98

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of December 20, 1996 executed and delivered by PNI SYSTEMS, LLC, a limited liability company organized under the laws of the State of Georgia, with its principal place of business and chief executive office located at 850 Center Way, Norcross, Gwinnett County, Georgia 30071 (the "Debtor"), in favor of NATIONSBANK, N.A. (SOUTH) with an office located at 600 Peachtree Street, 18th Floor, Atlanta, Georgia 30308 (the "Secured Party").

WHEREAS, Preferred Networks, Inc., the Debtor and the Secured Party have entered into that certain Credit Agreement dated as of August 8, 1996 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Secured Party has agreed to extend certain financial accommodations to the Debtor and the other Borrower subject to the terms thereof; and

WHEREAS, it is a condition precedent to the Secured Party's extension of such financial accommodations under the Credit Agreement that the Debtor execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby agrees with the Secured Party as follows:

Section 1. Grant of Security. To secure the prompt and complete payment, observance and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Debtor hereby collaterally assigns and pledges to the Secured Party, and grants to the Secured Party a security interest in, the Collateral.

Section 2. Representations and Warranties. The Debtor represents and warrants to the Secured Party as follows:

(a) Name, Taxpayer ID Number. The correct corporate name of the Debtor is set forth in the first paragraph of this Agreement, and the Debtor does not conduct and, since its formation has not conducted, business under any trade name or other fictitious name. The Internal Revenue Service taxpayer identification number of the Debtor is 58-2253719.

(b) Intentionally omitted.

(c) Liens. None of the Collateral or other properties of the Debtor is, as of the date hereof, subject to any Lien, except Permitted Liens.

(d) Chief Executive Office. The chief executive office and principal place of business of the Debtor and the books and records relating to the Receivables and the other Collateral are located at the Debtor's address set forth in the first paragraph of this Agreement, and, except as set forth on Schedule 2(d), have been located there for the five-year period ending on the date hereof. The Debtor has not changed its name, identity or corporate structure in any way since the Debtor's formation.

(e) Places of Business. The addresses (including the applicable counties) of all of the current places of business of the Debtor, and all other places of business of the Debtor during the five-year period ending on the date hereof, are set forth on Schedule 2(e) attached hereto.

(f) Inventory. All Inventory is in good condition, meets all standards imposed by any Governmental Authority having regulatory authority over such goods, their use or sale, and is currently either usable or salable in the normal course of the Debtor's business. All Inventory is located on one or more of the places set forth on Schedule 2(e) hereof or is in transit to one of such locations.

(g) Equipment. All Equipment of the Debtor is in good order and repair and is located on or at one or more of the places set forth on Schedule 2(e) hereof. During the five-year period ending on the date hereof, no Inventory or Equipment of the Debtor was located at any other place of business except as set forth on Schedule 2(e) hereof.

(h) Security Interest. It is the intent of the Debtor that this Agreement create a valid and perfected first-priority security interest in the Collateral, securing the payment of the Obligations.

Section 3. Continued Priority of Security Interest.

(a) The Security Interest shall at all times be valid, perfected and of first priority and enforceable against the Debtor and all other Persons, in accordance with the terms of this Agreement, as security for the Obligations.

(b) The Debtor shall, at its sole cost and expense, take all action that may be necessary or desirable, or that the Secured Party may request, so as at all times to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 3(a), or to enable the Secured Party to exercise or enforce its rights hereunder, including without limitation: (i) paying all taxes, assessments and other claims lawfully levied or assessed on any of the Collateral, except to the extent that such taxes, assessments and other claims constitute Permitted Liens; (ii) obtaining landlords', mortgagees', mechanics', bailees', warehousemen's or processors' releases, subordinations or waivers with respect to any or all of the Collateral, in form and substance satisfactory to the Secured Party; (iii) delivering to the Secured Party, endorsed or accompanied by such instruments of assignment as the Secured Party may specify, any and all chattel paper, instruments, letters of credit and all other advices of guaranty and

documents evidencing or forming a part of the Collateral, (iv) at the request of the Secured Party, marking conspicuously each document included in the Collateral and marking all chattel paper and each of its records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Secured Party, indicating that such document, chattel paper, or Collateral is subject to the Security Interest, and (v) executing and delivering financing statements, pledges, notices and assignments, in each case in form and substance satisfactory to the Secured Party, relating to the creation, validity, perfection, priority or continuation of the Security Interest under the UCC or other Applicable Law

(c) The Secured Party is hereby authorized to execute and file in all necessary and appropriate jurisdictions (as determined by the Secured Party) one or more financing or continuation statements (or any other document or instrument referred to in Section 3(b)(v) above) in the name of the Debtor and to sign the Debtor's name thereto. The Debtor authorizes the Secured Party to file any such financing statement, document or instrument without the signature of the Debtor to the extent permitted by Applicable Law. Further, to the extent permitted by Applicable Law, a carbon, photographic, xerographic, photostatic, microphotographic, optical image reproduction or other reproduction of this Agreement or of any financing statement is sufficient as a financing statement.

Section 4. Covenants Regarding Contracts.

(a) Anything herein to the contrary notwithstanding, (i) the Debtor shall remain liable under all Assigned Contracts to the extent set forth therein to perform its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Secured Party of any of its rights hereunder shall not release the Debtor from any of its duties or obligations under any of the Assigned Contracts (except to the extent that such exercise prevents the Debtor from satisfying such duties and obligations), and (iii) the Secured Party shall not have any duties, obligations or liability under any of the Assigned Contracts or duties by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the duties or obligations of the Debtor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Debtor or the sufficiency of any performance by any party under any such contract or agreement, or to take any action to collect or enforce any claim for payment assigned hereunder.

(b) The Debtor shall perform and observe all the terms and provisions of the Assigned Contracts to be performed or observed by it, maintain the Assigned Contracts in full force and effect to the extent of the Debtor's normal business practices, and enforce the Assigned Contracts in accordance with their terms to the extent of the Debtor's normal business practices.

Section 5. Covenants Regarding Collateral Generally.

(a) Verification. After the occurrence of a Default or Event of Default, the Secured Party shall have the right at any time and from time to time, in the name of the

Secured Party or in the name of the Debtor, to verify the validity, amount or any other matter relating to any Receivables by mail, telephone or otherwise

(b) Delivery of Instruments. In the event any of the Collateral becomes evidenced by a promissory note, trade acceptance or any other instrument, the Debtor will immediately thereafter deliver such instrument to the Secured Party, appropriately endorsed to the Secured Party.

(c) Defense of Title. The Debtor shall at all times be the sole owner of each and every item of Collateral and shall defend its title in and to, and the Security Interest in, the Collateral against the claims and demands of all Persons.

(d) Maintenance of Collateral. The Debtor shall maintain all physical property that constitutes Collateral in good and workable condition, with reasonable allowance for wear and tear, and shall exercise proper custody over all such property.

(e) Insurance. The Debtor shall at all times maintain insurance on the Collateral against loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards and risks as the Secured Party shall reasonably specify, in amounts and under policies issued by the Debtor's present insurers or other insurers acceptable to the Secured Party. All premiums on such insurance shall be paid by the Debtor and certified copies of the policies, or other evidence of insurance acceptable to the Secured Party, shall be delivered to the Secured Party promptly upon the Secured Party's request. The Debtor will not use or permit the Collateral to be used unlawfully or outside of any insurance coverage. All insurance policies required under this Section shall contain loss payable clauses on New York standard loss payee forms or other forms satisfactory to the Secured Party, naming the Secured Party as loss payee, and providing that: (i) all proceeds thereunder shall be payable directly to the Secured Party; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; (iii) such policies and loss payable clauses may not be canceled, amended or terminated with respect to the Secured Party unless at least thirty days' prior written notice is given to the Secured Party, and (iv) there shall be no recourse against the Secured Party for payment of premiums or other amounts with respect thereto. Any proceeds of insurance referred to in this Section which are paid to the Secured Party shall be applied to the payment or prepayment of the Obligations in accordance with Section 12 hereof.

(f) Location of Office. The Debtor's chief executive office, principal place of business, and its books and records relating to the Collateral will continue to be kept at the address set forth in the first paragraph of this Agreement and the Debtor will not change the location of such office and place of business or such books and records without giving the Secured Party at least 30 days' prior written notice thereof.

(g) Location of Collateral. All Inventory, other than Inventory in transit to any such location, and all Equipment will at all times be kept by the Debtor at the current locations set forth on Schedule 2(e), and shall not, without the prior written consent of the

Secured Party, be removed therefrom except in connection with sales thereof in the ordinary course of business.

(h) Change of Name, Structure, Etc. Without giving the Secured Party at least 30 day's prior written notice, the Debtor will not (i) change its name, identity or structure or (ii) conduct business under any trade name or other fictitious name

(i) Records Relating to Collateral. The Debtor will at all times keep complete and accurate records of Inventory and Equipment, itemizing and describing the kind, type and quantity of Inventory and Equipment and the Debtor's cost therefor and a current price list for any Inventory, and keep complete and accurate records of all other Collateral.

(j) Inspection. The Debtor shall permit any representatives designated by the Secured Party upon reasonable notice to visit and inspect the properties of the Debtor and to inspect its financial and business records and make extracts therefrom and copies thereof, all at reasonable times during normal business hours and in a manner so as not to unreasonably disrupt the operations of the Debtor and as often as reasonably requested. The Debtor shall permit the Secured Party or any representatives designated by the Secured Party upon reasonable notice to discuss the affairs, finances and condition of any of the Debtor with its officers and, after prior notice to the Debtor (so long as no Event of Default has occurred and is continuing), the independent accountants for the Debtor.

(k) Other Information. The Debtor shall furnish to the Secured Party such other information with respect to the Collateral, including, but not limited to, physical listings of Inventory and Equipment, as the Secured Party may request from time to time.

(l) Payments Directly to Secured Party. The Secured Party may at any time and from time to time after the occurrence of a Default or Event of Default notify, or request the Debtor to notify, in writing or otherwise, any Account Debtor or other obligor with respect to any one or more of the Receivables or Assigned Contracts to make payment to the Secured Party or any agent or designee of the Secured Party directly, at such address as may be specified by the Secured Party. If, notwithstanding the giving of any notice, any Account Debtor or other such obligor shall make payment to the Debtor, the Debtor shall hold all such payments it receives in trust for the Secured Party, without commingling the same with other funds or property of or held by the Debtor, and shall promptly deliver the same to the Secured Party or any such agent or designee immediately upon receipt by the Debtor in the identical form received, together with any necessary endorsements.

(m) Sale of Collateral. The Debtor shall not sell, lease or transfer or otherwise dispose of any Collateral outside the ordinary course of its business; provided, however the Debtor may dispose of its Inventory in the ordinary course of its business so long as no Default or Event of Default shall have occurred. The inclusion of "proceeds" of the

Collateral under the Security Interest shall not be deemed a consent by the Secured Party to any other sale or other disposition of any part or all of the Collateral.

Section 6. Intentionally omitted.

Section 7. Liens. The Debtor shall not create, assume, incur or permit or suffer to exist or to be created, assumed or incurred, any Lien upon any of the Collateral other than Permitted Liens.

Section 8. The Secured Party Appointed Attorney-in-Fact. The Debtor hereby irrevocably appoints the Secured Party the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument or document which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement and to exercise any rights and remedies the Secured Party may have under this Agreement or Applicable Law, including, without limitation: (i) to obtain and adjust insurance required to be maintained pursuant to the terms of this Agreement or any other Loan Document; (ii) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral including any Receivable; (iii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (i) or (ii) above; (iv) to sell or assign any Receivable upon such terms, for such amount and at such time or times as the Secured Party deems advisable, to settle, adjust, compromise, extend or renew any Receivable or to discharge and release any Receivable; and (v) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral. The power-of-attorney granted hereby shall be irrevocable and coupled with an interest.

Section 9. The Secured Party May Perform. If the Debtor fails to perform any agreement contained herein, the Secured Party may, without notice to the Debtor, itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Debtor under Section 15 hereof.

Section 10. The Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property; it being understood that the Secured Party shall be under no obligation to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral, but may do so at its option, and all reasonable expenses

incurred in connection therewith shall be for the sole account of the Debtor and shall be added to the Obligations

Section 11. Remedies. The Secured Party may take any or all of the following actions upon the occurrence of an Event of Default hereunder

(a) Inventory and Equipment

(i) Entry. The Secured Party may enter upon any premises on which Inventory or Equipment may be located and, without resistance or interference by the Debtor, take physical possession of any or all thereof and maintain such possession on such premises or move the same or any part thereof to such other place or places as the Secured Party shall choose, without being liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(ii) Assembly. The Debtor shall, upon request of and without charge to the Secured Party, assemble the Inventory and Equipment and maintain or deliver it into the possession of the Secured Party or any agent or representative of the Secured Party at such place or places as the Secured Party may designate and as are reasonably convenient to both the Secured Party and the Debtor.

(iii) Warehousing. The Secured Party may, at the expense of the Debtor, cause any of the Inventory and Equipment to be placed in a public or field warehouse, and the Secured Party shall not be liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(b) Use of Premises and Patents. The Secured Party may:

(i) without notice, demand or other process, and without payment of any rent or any other charge enter any of the Debtor's premises and, without breach of the peace, until the Secured Party completes the enforcement of its rights in the Collateral, take possession of such premises or place custodians in exclusive control thereof, remain on such premises and use the same and any of the Debtor's equipment, for the purpose of (A) completing any work in process, preparing any Inventory and Equipment for disposition and disposing thereof and (B) collecting any Receivable; and

(ii) in the exercise of the rights of the Secured Party under this Agreement, without payment or compensation of any kind, use any and a trademarks, trade styles, trade names, patents, patent applications, licenses, franchises and the like to the extent of the rights of the Debtor therein, and the Debtor grants a license to the Secured Party for this purpose.

(c) Cash Collateral. The Secured Party may apply any cash Collateral to the payment of the Obligations in any order in which the Secured Party may elect or use such cash in connection with the exercise of any of its other rights hereunder.

(d) Rights as a Secured Creditor. The Secured Party may exercise all of the rights and remedies of a secured party under the UCC and under any other Applicable Law, including, without limitation, the right, without notice except as specified below and with or without taking possession thereof, to sell the Collateral or any part thereof in one or more parcels at public or private sale at any location chosen by the Secured Party, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable. The Debtor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to the Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(e) Waiver of Marshaling. The Debtor hereby waives any right to require any marshaling of assets and any similar right.

(f) Appointment of Receiver. The Secured Party shall be entitled to the appointment of a receiver, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the Collateral and/or the business operations of the Debtor and to exercise such power as the court shall confer upon such receiver.

(g) Receivables/Assigned Contracts. The Secured Party shall have the exclusive right to assert, either directly or on behalf of the Debtor, any and all rights and claims the Debtor may have under any Receivables and/or any of the Assigned Contracts as the Secured Party may deem proper and to receive and collect any and all Receivables and Assigned Contracts and any and all rent, fees, damages, awards and other monies arising thereunder or resulting therefrom and to apply the same on account of any of the Obligations.

Section 12. Application of Proceeds. All proceeds from each sale of, or other realization upon, all or any part of the Collateral following an Event of Default shall be applied or paid over as follows:

(a) First: to the payment of all costs and expenses incurred in connection with such sale or other realization, including reasonable attorneys' fees if the Secured Party endeavored to collect the Obligations by or through an attorney at law;

(b) Second: to the payment of the interest due upon any of the Obligations, in any order which the Secured Party may elect;

(c) Third: to the payment of the principal due upon any of the Obligations in any order which the Secured Party may elect; and

(d) Fourth: the balance (if any) of such proceeds shall be paid to the Debtor or to whomsoever may be legally entitled thereto.

The Debtor shall remain liable and shall pay, on demand, any deficiency remaining in respect of the Obligations, together with interest thereon at a rate per annum equal to the highest rate then payable hereunder on such Obligations, which interest shall constitute part of the Obligations.

Section 13. FCC Matters. Notwithstanding any other provision of this Agreement to the contrary, any foreclosure on, sale, transfer or other disposition of, or the exercise of any right to vote or consent with respect to, any of the Collateral as provided herein or any other action taken or proposed to be taken by the Secured Party hereunder which would affect the operational, voting or other control of the Debtor or any other Loan Party that holds a License granted by the FCC, shall be pursuant to the Communications Laws and to any other Applicable Laws of any state, and, to the extent required thereby, subject to the prior approval of the FCC or any applicable state PUC. Upon the occurrence and during the continuance of an Event of Default, the Debtor shall assist, and cause each of its Subsidiaries to assist, in obtaining all necessary approvals of the FCC and applicable state PUCs, if required, for any action or transactions contemplated by this Agreement, including, without limitation, the preparation, execution and filing with the FCC of the assignor's or transferor's portion of any applications for consent to the assignment of any license or transfer of control necessary or appropriate under the rules and regulations of the FCC or applicable state PUCs, for approval of the transfer or assignment of any portion of the Pledged Collateral. The Debtor acknowledges that there is no adequate remedy at law for failure by the Debtor to comply with the provisions of this Section and that such failure would not be adequately compensated in dollar damages, and therefore the Debtor **agrees**, without limiting the right of the Secured Party to seek and obtain specific performance of other obligations of the Debtor contained in this Agreement, that the **agreements** contained in this paragraph may be specifically enforced.

Section 14. Rights Cumulative. The rights and remedies of the Secured Party under this Agreement, the Credit Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which it would otherwise have. In exercising its rights and remedies the Secured Party may be selective and no failure or delay by the Secured Party in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

Section 15. Expenses The Debtor will pay, on demand, all out-of-pocket expenses incurred by the Secured Party in connection with: (a) the collection or enforcement of the Obligations including reasonable fees and disbursements of counsel to the Secured Party if such collection or enforcement is done through or by an attorney; and (b) the exercise by the Secured Party of any right or remedy granted to it under this Agreement whether or not a Default or Event of Default has occurred, including, without limitation, the expenses incurred by the Secured Party in connection with the collection of Receivables directly from account debtors

Section 16. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 17. Notices Unless otherwise provided herein, all notices and other communications provided for hereunder shall be in given in accordance with the applicable provisions of the Credit Agreement.

Section 18. Continuing Security Interest This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the Obligations, (ii) be binding upon the Debtor, its successors and assigns and (iii) inure the benefit of the Secured Party, and its successors and assigns. The Debtor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefore.

Section 19. Applicable Law, Severability THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

Section 20. Arbitration ANY CONTROVERSY OR CLAIM BETWEEN THE DEBTOR AND THE SECURED PARTY, INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT, SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE, THE APPLICABLE STATE LAW), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF JUDICIAL ARBITRATION AND MEDIATION SERVICES, INC. (J.A.M.S.), AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL

RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO CONTEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION.

A. SPECIAL RULES. THE ARBITRATION SHALL BE CONDUCTED IN THE CITY OF THE DEBTOR'S DOMICILE AT THE TIME OF THIS AGREEMENT'S EXECUTION AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION; FURTHER, THE ARBITRATOR SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS.

B. RESERVATION OF RIGHTS. NOTHING IN THIS AGREEMENT SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS AGREEMENT; OR (II) BE A WAIVER BY THE SECURED PARTY OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC. 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW; OR (III) LIMIT THE RIGHT OF THE SECURED PARTY HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSE AGAINST ANY REAL OR PERSONAL PROPERTY COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER. THE SECURED PARTY MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSE UPON SUCH PROPERTY, OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS AGREEMENT. NEITHER THE EXERCISE OF SELF HELP REMEDIES NOR THE INSTITUTION OR MAINTENANCE OF AN ACTION FOR FORECLOSURE OR PROVISIONAL OR ANCILLARY REMEDIES SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CONTROVERSY OR CLAIM OCCASIONING RESORT TO SUCH REMEDIES.

Section 21. Indemnification. The Debtor agrees to indemnify and hold the Secured Party harmless from and against any claim, loss, damage, action, cause of action, liability, cost and expense or suit of any kind or nature whatsoever, brought against or incurred by the Secured Party, in any manner arising out of or, directly or indirectly, related to or connected with the operation of the Debtor's business, any action taken by

the Secured Party with respect to any Receivable or Assigned Contract pursuant to this Agreement or any other action taken by the Secured Party pursuant to the terms of this Agreement, including, without limitation, claims brought against the Secured Party by any Account Debtor.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same instrument.

Section 23. Definitions. (a) For the purposes of this Agreement:

"Agreement" means this Security Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Assigned Contract" means any contract or agreement to which the Debtor is a party or which runs in favor of the Debtor and which constitutes part of the Collateral.

"Collateral" means all of the Debtor's right, title and interest in and to each of the following, wherever located and whether now or hereafter existing, or now owned or hereafter acquired or arising:

(a) all Receivables of the Debtor;

(b) all Inventory;

(c) all Equipment,

(d) all rights of the Debtor as an unpaid vendor or lienor (including, without limitation, stoppage in transit, replevin and reclamation) with respect to any Inventory or other properties of the Debtor;

(e) all patents, trademarks, trade names, service marks, trade secrets, copyrights, mask works and exclusive licenses (including all pending patents, trademarks, trade names, service marks and copyrights and all applications, materials, documents and other matter relating thereto), all inventions, and all manufacturing, engineering and production plans, blueprints, drawings, specifications, processes and systems, all computer programs, data bases, systems and software (including source and object codes), goodwill, choses-in-action, and all other general intangibles of every nature, type and description, whether now owned or hereafter acquired by the Debtor;

(f) all documents of title, policies and certificates of insurance, chattel paper and instruments of the Debtor;

(g) all books, records, files and correspondence in any way related to any of the foregoing or otherwise pertaining to the business operations of the Debtor;

(h) any and all balances, credits, deposits, accounts, items and monies of the Debtor now or hereafter with the Secured Party or any affiliate of the Secured Party or deposited with the Secured Party or any financial institution selected by the Secured Party pursuant to any lock box, deposit, escrow or other collection agreement or otherwise, and all property of the Debtor of every kind and description now or hereafter in the possession or control of the Secured Party for any reason; and

(i) any and all products and proceeds of any of the foregoing (including, but not limited to, any claims to any items referred to in this definition, and any claims of the Debtor against third parties for loss of, damage to or destruction of, any or all of the Collateral or for proceeds payable under, or unearned premiums with respect to, policies of insurance) in whatever form, including, but not limited to, cash, instruments, general intangibles, accounts receivable, goods, documents and chattel paper.

"Debtor" has the meaning set forth in the first paragraph hereof

"Equipment" means all equipment, machinery, apparatus, fittings, fixtures and other tangible personal property (other than Inventory) of every kind and description used in the Debtor's business operations or owned by the Debtor or in which the Debtor has an interest, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor.

"Inventory" means (a) all inventory of the Debtor and all goods intended for sale or lease by the Debtor, or for display or demonstration, (b) all work-in-process; (c) all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in the Debtor's business; and (d) all documents relating to any of the foregoing.

"Secured Party" has the meaning set forth in the first paragraph hereof

"Security Interest" means the Lien of the Secured Party upon, and the collateral assignments to the Secured Party of, the Collateral effected hereby or pursuant to the terms hereof


(b) Unless otherwise set forth herein to the contrary, all terms not otherwise defined herein and which are defined in the UCC are used herein with the meanings ascribed to them in the UCC. Terms not otherwise defined herein or in the UCC are used herein with the respective meanings given them in the Credit Agreement.

[Signature on Next Page]

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be duly executed and delivered under seal by its duly authorized officers as of the day first above written.

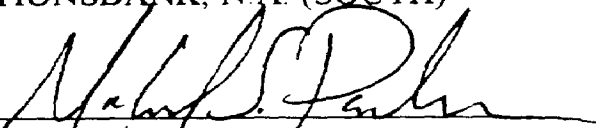
PNI SYSTEMS, LLC

By: Preferred Networks, Inc , its Manager

By: 
Name: KIM SMITH HUGHES
Title: CHIEF FINANCIAL OFFICER

Agreed and accepted as of the date first written above.

NATIONS BANK, N.A. (SOUTH)

By: 
Name: MICHAEL S. PAULSEN
Title: ASSISTANT VICE PRESIDENT

SCHEDULE 2(d)

PNI SYSTEMS, LLC

5300 Oakbrook Parkway
Suite 320
Norcross, Georgia 30093
Gwinnett County, Georgia

SCHEDULE 2(d)

AD963480.216

TRADEMARK
REEL: 001992 FRAME: 0279

SCHEDULE 2(e)

PNI SYSTEMS, LLC

850 Center Way
Norcross, Georgia 30071
Gwinnett County, Georgia

SEE ALSO ATTACHED SCHEDULE I

AD963480.216

TRADEMARK
REEL: 001992 FRAME: 0280

**SCHEDULE I
COLLATERAL LOCATIONS**

Lessor	Leased Premises
APT IND/APTS Realty, Inc.	5801 Goshen Springs, Norcross, Georgia (TCC)
PSB Building Corp.	249 Main Mall, Poughkeepsie, New York (TCC)
BellSouth Telecommunications, Inc.	675 West Peachtree Street, Atlanta, Georgia
BellSouth Telecommunications, Inc.	Fairburn 191 East Broad Street, Fairburn, Georgia
Pinnacle Towers, Inc.	Meadow Crest Road, Greensboro, Georgia
AAA Communications, Inc.	800 Bethel Road, Conyers, Georgia
Georgia Building Authority	Two Peachtree, Atlanta, Georgia
McDougald Broadcasting Corporation of Rome, Georgia	722-724 Mount Alto, Rome, Georgia
Gainesville Communications	Wauka Mountain, Clermont, Georgia
Spectrum Site Management	3340 Peachtree Road, N.E., Atlanta, Georgia, Buckhead
Grid Towers	5904 Goshen Springs Road, Norcross, Georgia
South Comm., Inc.	End Morningside Drive, Cartersville, Georgia
Motorola, Inc.	2 Miles south of Bear Creek Airport, Griffin, Georgia (Sunnyside)
Carroll Electric Membership Corporation	155 Temple Road, Carrollton, Georgia
Athens Regional Medical Center, Inc.	Athens Regional Medical Center, 1199 Prince Avenue, Athens, Georgia
Currahee Paging	Currahee Mountain, Toccoa, Georgia
Currahee Paging	Black Rock Mountain, Clayton, Georgia
Grid Towers, LLC	Henry County, McDonough, Georgia
BellSouth Telecommunications, Inc.	675 West Peachtree Street, Atlanta, Georgia
BellSouth Telecommunications, Inc.	191 East Broad Street, Fairburn, Georgia
Grid Site Services & BellSouth Telecommunications	400 North Park Building, Atlanta, Georgia
AT&T Communications, Inc.	Highway 120, .5 miles west of Marietta
WGAU/WNGC FM Radio Station & BellSouth Telecommunications, Inc.	Causey Boggs Road, Neese, Georgia
Grid Towers LLC & BellSouth Telecommunications, Inc.	Friendship & Ridge Roads, Buford, Georgia
AAA Communications, Inc. & BellSouth Telecommunications, Inc.	.5 miles North of Highway 166 & Tyree Road, Fairplay, Georgia
BellSouth Telecommunications, Inc.	Alcovy Mountain, Atlanta, Georgia
Motorola, Inc.	Stone Mountain, Channel 8 Room, Georgia
Motorola, Inc.	Motorola Tower/Sawnee Mountain
Motorola, Inc.	North side of Highway 166
Motorola, Inc.	2 Mile south of Bear Creek Airport, Sunnyside, Georgia
Cobb Electric Membership Corp.	1512 Church Street Extension, Marietta, Georgia
Motorola, Inc.	101 Marietta Street, Atlanta, Georgia (Buckhead)
Television Station Partners & BellSouth Telecommunications, Inc.	Georgia Avenue, North Augusta, South Carolina
Jones Eastern Radio of Augusta & BellSouth Telecommunications, Inc.	100 Lovers Lane, Waynesboro, Georgia
BellSouth Telecommunications, Inc.	109 Gordon Street, Thompson, Georgia
Tower Broadcasting Corporation	2400 Barton Chapel Road #1, Augusta, Georgia
Savannah Valley Broadcasting Co.	Sweetwater SC, North Augusta

Tower Broadcasting Corporation of Georgia	Highway 223 @ 1110 White, Thomson, Georgia
Edgefield-Saluda Radio Co.	Highway 121, Trenton, South Carolina
Hines and Campbell Properties	Pine Mountain at Remlap
Hines & Campbell Properties	Double Oak Mountain, off Highway 280 South
Motorola, Inc.	Goodwin Crest Building, Birmingham, Alabama
Pinnacle Towers, Inc.	100 Apogee Road, Alabaster, Alabama
Motorola, Inc.	Cheaha Mountain, Anniston, Alabama
McCord Communications, Inc.	Overlook Drive, Gadsden, Alabama
Hilton Tower Company	Skyline Drive, Jasper, Alabama
BVACK Broadcasting	Near Old Decatur Pike, West of Athens, Tennessee
Signal One, Inc.	Dug Gap Mountain, Dalton, Georgia
Richard T. Harris	119 South Crest Road, Missionary Ridge, Chattanooga, Tennessee
Signal One, Inc.	Evensville Mountain, Evensville, Tennessee
Signal One, Inc.	Crown Colony, Cleveland, Georgia
American Tower Systems, Inc.	WDSI-TV Ch 61/Signal Mountain
Signal One, Inc.	Atop Sand Mountain, Bryant, Alabama
Riley's Communications, Inc.	Little Mountain, Columbia, South Carolina
Riley's Communications, Inc.	Leesville, South Carolina
Motorola, Inc.	Phoenix City Motorola Tower, Phoenix City, Alabama
CommTronics of Alabama, Inc.	345 Lee Road 118, Opelika, Alabama
Tim Sasser	544 Mulberry Street, Macon, Georgia (Link)
Pinnacle Towers, Inc.	Dublin Holiday Inn, 613 Firetower Road, Dublin, Georgia
Motorola, Inc.	Warner Robbins Motorola Tower, P & L No. 04661A
Grid Towers LLC	667 Bartley Street, Macon, Georgia (HillCrest)
American Tower Corp.	Sandersville

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of December 20, 1996 executed and delivered by PNI SPECTRUM, LLC, a limited liability company organized under the laws of the State of Georgia, with its principal place of business and chief executive office located at 850 Center Way, Norcross, Gwinnett County, Georgia 30071 (the "Debtor"), in favor of NATIONSBANK, N.A. (SOUTH) with an office located at 600 Peachtree Street, 18th Floor, Atlanta, Georgia 30308 (the "Secured Party").

WHEREAS, Preferred Networks, Inc., PNI Systems, LLC and the Secured Party have entered into that certain Credit Agreement dated as of August 8, 1996 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Secured Party has agreed to extend certain financial accommodations to the Borrowers subject to the terms thereof,

WHEREAS, the Debtor is an Affiliate of the Borrowers;

WHEREAS, the Debtor, the Borrowers and the other Subsidiaries of the Borrowers, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Lender through their collective efforts;

WHEREAS, the Debtor acknowledges that it will receive direct and indirect benefits from the Secured Party making such financial accommodations available to the Borrowers under the Credit Agreement and, accordingly, the Debtor agreed to guaranty the Borrowers' obligations to the Secured Party on the terms and conditions contained in that certain Guaranty dated as of the date hereof (as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with its terms, the "Guaranty") executed by the Debtor in favor of the Secured Party;

WHEREAS, the Debtor is executing and delivering this Agreement to secure its obligations owing to the Secured Party under the Guaranty and the other Loan Documents to which the Debtor is a party;

WHEREAS, it is a condition precedent to the Secured Party's extension of such financial accommodations under the Credit Agreement that the Debtor execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby agrees with the Secured Party as follows:

Section 1. Grant of Security. To secure the prompt and complete payment, observance and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Debtor hereby collaterally assigns and pledges to the Secured Party, and grants to the Secured Party a security interest in, the Collateral.

Section 2. Representations and Warranties. The Debtor represents and warrants to the Secured Party as follows:

(a) Name, Taxpayer ID Number. The correct corporate name of the Debtor is set forth in the first paragraph of this Agreement, and the Debtor does not conduct and, since its formation has not conducted, business under any trade name or other fictitious name. The Internal Revenue Service taxpayer identification number of the Debtor is 58-2272488.

(b) Loan Document Representations. The Debtor hereby makes to the Secured Party all of the representations and warranties made by the Borrowers with respect to or in any way relating to the Debtor in the Credit Agreement and the other Loan Documents, as if the same were set forth herein in full.

(c) Liens. None of the Collateral or other properties of the Debtor is, as of the date hereof, subject to any Lien, except Permitted Liens.

(d) Chief Executive Office. The chief executive office and principal place of business of the Debtor and the books and records relating to the Receivables and the other Collateral are located at the Debtor's address set forth in the first paragraph of this Agreement, and, except as set forth on Schedule 2(d), have been located there for the five-year period ending on the date hereof. The Debtor has not changed its name, identity or corporate structure in any way since the Debtor's formation.

(e) Places of Business. The addresses (including the applicable counties) of all of the current places of business of the Debtor, and all other places of business of the Debtor during the five-year period ending on the date hereof, are set forth on Schedule 2(e) attached hereto.

(f) Inventory. All Inventory is in good condition, meets all standards imposed by any Governmental Authority having regulatory authority over such goods, their use or sale, and is currently either usable or salable in the normal course of the Debtor's business. All Inventory is located on one or more of the places set forth on Schedule 2(e) hereof or is in transit to one of such locations.

(g) Equipment. All Equipment of the Debtor is in good order and repair and is located on or at one or more of the places set forth on Schedule 2(e) hereof. During the five-year period ending on the date hereof, no Inventory or Equipment of the Debtor was located at any other place of business except as set forth on Schedule 2(e) hereof.

(h) Security Interest. It is the intent of the Debtor that this Agreement create a valid and perfected first-priority security interest in the Collateral, securing the payment of the Obligations.

Section 3. Continued Priority of Security Interest

(a) The Security Interest shall at all times be valid, perfected and of first priority and enforceable against the Debtor and all other Persons, in accordance with the terms of this Agreement, as security for the Obligations.

(b) The Debtor shall, at its sole cost and expense, take all action that may be necessary or desirable, or that the Secured Party may request, so as at all times to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 3(a), or to enable the Secured Party to exercise or enforce its rights hereunder, including without limitation: (i) paying all taxes, assessments and other claims lawfully levied or assessed on any of the Collateral, except to the extent that such taxes, assessments and other claims constitute Permitted Liens; (ii) obtaining landlords', mortgagees', mechanics', bailees', warehousemen's or processors' releases, subordinations or waivers with respect to any or all of the Collateral, in form and substance satisfactory to the Secured Party; (iii) delivering to the Secured Party, endorsed or accompanied by such instruments of assignment as the Secured Party may specify, any and all chattel paper, instruments, letters of credit and all other advices of guaranty and documents evidencing or forming a part of the Collateral; (iv) at the request of the Secured Party, marking conspicuously each document included in the Collateral and marking all chattel paper and each of its records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Secured Party, indicating that such document, chattel paper, or Collateral is subject to the Security Interest, and (v) executing and delivering financing statements, pledges, notices and assignments, in each case in form and substance satisfactory to the Secured Party, relating to the creation, validity, perfection, priority or continuation of the Security Interest under the UCC or other Applicable Law.

(c) The Secured Party is hereby authorized to execute and file in all necessary and appropriate jurisdictions (as determined by the Secured Party) one or more financing or continuation statements (or any other document or instrument referred to in Section 3(b)(v) above) in the name of the Debtor and to sign the Debtor's name thereto. The Debtor authorizes the Secured Party to file any such financing statement, document or instrument without the signature of the Debtor to the extent permitted by Applicable Law. Further, to the extent permitted by Applicable Law, a carbon, photographic, xerographic, photostatic, microphotographic, optical image reproduction or other reproduction of this Agreement or of any financing statement is sufficient as a financing statement.

Section 4. Covenants Regarding Contracts

(a) Anything herein to the contrary notwithstanding, (i) the Debtor shall remain liable under all Assigned Contracts to the extent set forth therein to perform its

duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Secured Party of any of its rights hereunder shall not release the Debtor from any of its duties or obligations under any of the Assigned Contracts (except to the extent that such exercise prevents the Debtor from satisfying such duties and obligations), and (iii) the Secured Party shall not have any duties, obligations or liability under any of the Assigned Contracts or duties by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the duties or obligations of the Debtor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Debtor or the sufficiency of any performance by any party under any such contract or agreement, or to take any action to collect or enforce any claim for payment assigned hereunder.

(b) The Debtor shall perform and observe all the terms and provisions of the Assigned Contracts to be performed or observed by it, maintain the Assigned Contracts in full force and effect to the extent of the Debtor's normal business practices, and enforce the Assigned Contracts in accordance with their terms to the extent of the Debtor's normal business practices.

Section 5. Covenants Regarding Collateral Generally.

(a) Verification. After the occurrence of a Default or Event of Default, the Secured Party shall have the right at any time and from time to time, in the name of the Secured Party or in the name of the Debtor, to verify the validity, amount or any other matter relating to any Receivables by mail, telephone or otherwise.

(b) Delivery of Instruments. In the event any of the Collateral becomes evidenced by a promissory note, trade acceptance or any other instrument, the Debtor will immediately thereafter deliver such instrument to the Secured Party, appropriately endorsed to the Secured Party.

(c) Defense of Title. The Debtor shall at all times be the sole owner of each and every item of Collateral and shall defend its title in and to, and the Security Interest in, the Collateral against the claims and demands of all Persons.

(d) Maintenance of Collateral. The Debtor shall maintain all physical property that constitutes Collateral in good and workable condition, with reasonable allowance for wear and tear, and shall exercise proper custody over all such property.

(e) Insurance. The Debtor shall at all times maintain insurance on the Collateral against loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards and risks as the Secured Party shall reasonably specify, in amounts and under policies issued by the Debtor's present insurers or other insurers acceptable to the Secured Party. All premiums on such insurance shall be paid by the Debtor and certified copies of the policies, or other evidence of insurance acceptable to the Secured Party, shall be delivered to the Secured Party promptly upon the Secured Party's request. The Debtor

will not use or permit the Collateral to be used unlawfully or outside of any insurance coverage. All insurance policies required under this Section shall contain loss payable clauses on New York standard loss payee forms or other forms satisfactory to the Secured Party, naming the Secured Party as loss payee, and providing that: (i) all proceeds thereunder shall be payable directly to the Secured Party; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; (iii) such policies and loss payable clauses may not be canceled, amended or terminated with respect to the Secured Party unless at least thirty days' prior written notice is given to the Secured Party, and (iv) there shall be no recourse against the Secured Party for payment of premiums or other amounts with respect thereto. Any proceeds of insurance referred to in this Section which are paid to the Secured Party shall be applied to the payment or prepayment of the Obligations in accordance with Section 12 hereof.

(f) Location of Office. The Debtor's chief executive office, principal place of business, and its books and records relating to the Collateral will continue to be kept at the address set forth in the first paragraph of this Agreement and the Debtor will not change the location of such office and place of business or such books and records without giving the Secured Party at least 30 days' prior written notice thereof.

(g) Location of Collateral. All Inventory, other than Inventory in transit to any such location, and all Equipment will at all times be kept by the Debtor at the current locations set forth on Schedule 2(e), and shall not, without the prior written consent of the Secured Party, be removed therefrom except in connection with sales thereof in the ordinary course of business.

(h) Change of Name, Structure, Etc. Without giving the Secured Party at least 30 day's prior written notice, the Debtor will not (i) change its name, identity or structure or (ii) conduct business under any trade name or other fictitious name.

(i) Records Relating to Collateral. The Debtor will at all times keep complete and accurate records of Inventory and Equipment, itemizing and describing the kind, type and quantity of Inventory and Equipment and the Debtor's cost therefor and a current price list for any Inventory, and keep complete and accurate records of all other Collateral.

(j) Inspection. The Debtor shall permit any representatives designated by the Secured Party upon reasonable notice to visit and inspect the properties of the Debtor and to inspect its financial and business records and make extracts therefrom and copies thereof, all at reasonable times during normal business hours and in a manner so as not to unreasonably disrupt the operations of the Debtor and as often as reasonably requested. The Debtor shall permit the Secured Party or any representatives designated by the Secured Party upon reasonable notice to discuss the affairs, finances and condition of any of the Debtor with its officers and, after prior notice to the Debtor (so long as no Event of Default has occurred and is continuing), the independent accountants for the Debtor.

(k) Other Information. The Debtor shall furnish to the Secured Party such other information with respect to the Collateral, including, but not limited to, physical listings of Inventory and Equipment, as the Secured Party may request from time to time

(l) Payments Directly to Secured Party. The Secured Party may at any time and from time to time after the occurrence of a Default or Event of Default notify, or request the Debtor to notify, in writing or otherwise, any Account Debtor or other obligor with respect to any one or more of the Receivables or Assigned Contracts to make payment to the Secured Party or any agent or designee of the Secured Party directly, at such address as may be specified by the Secured Party. If, notwithstanding the giving of any notice, any Account Debtor or other such obligor shall make payment to the Debtor, the Debtor shall hold all such payments it receives in trust for the Secured Party, without commingling the same with other funds or property of or held by the Debtor, and shall promptly deliver the same to the Secured Party or any such agent or designee immediately upon receipt by the Debtor in the identical form received, together with any necessary endorsements.

(m) Sale of Collateral. The Debtor shall not sell, lease or transfer or otherwise dispose of any Collateral outside the ordinary course of its business; provided, however the Debtor may dispose of its Inventory in the ordinary course of its business so long as no Default or Event of Default shall have occurred. The inclusion of "proceeds" of the Collateral under the Security Interest shall not be deemed a consent by the Secured Party to any other sale or other disposition of any part or all of the Collateral.

Section 6. Covenants. So long as any Obligations remain unpaid or unperformed, the Debtor shall comply with all covenants which the Borrowers are to cause the Debtor to comply with under the terms of the Credit Agreement or any of the other Loan Documents.

Section 7. Liens. The Debtor shall not create, assume, incur or permit or suffer to exist or to be created, assumed or incurred, any Lien upon any of the Collateral other than Permitted Liens.

Section 8. The Secured Party Appointed Attorney-in-Fact. The Debtor hereby irrevocably appoints the Secured Party the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument or document which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement and to exercise any rights and remedies the Secured Party may have under this Agreement or Applicable Law, including, without limitation: (i) to obtain and adjust insurance required to be maintained pursuant to the terms of this Agreement or any other Loan Document; (ii) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral including any Receivable; (iii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with

clause (i) or (ii) above, (iv) to sell or assign any Receivable upon such terms, for such amount and at such time or times as the Secured Party deems advisable, to settle, adjust, compromise, extend or renew any Receivable or to discharge and release any Receivable, and (v) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral. The power-of-attorney granted hereby shall be irrevocable and coupled with an interest.

Section 9. The Secured Party May Perform. If the Debtor fails to perform any agreement contained herein, the Secured Party may, without notice to the Debtor, itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Debtor under Section 15 hereof.

Section 10. The Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property; it being understood that the Secured Party shall be under no obligation to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral, but may do so at its option, and all reasonable expenses incurred in connection therewith shall be for the sole account of the Debtor and shall be added to the Obligations.

Section 11. Remedies. The Secured Party may take any or all of the following actions upon the occurrence of an Event of Default hereunder.

(a) Inventory and Equipment.

(i) Entry. The Secured Party may enter upon any premises on which Inventory or Equipment may be located and, without resistance or interference by the Debtor, take physical possession of any or all thereof and maintain such possession on such premises or move the same or any part thereof to such other place or places as the Secured Party shall choose, without being liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(ii) Assembly. The Debtor shall, upon request of and without charge to the Secured Party, assemble the Inventory and Equipment and maintain or deliver it into the possession of the Secured Party or any agent or representative of the Secured Party at such place or places as the Secured Party may designate and as are reasonably convenient to both the Secured Party and the Debtor.

(iii) Warehousing. The Secured Party may, at the expense of the Debtor, cause any of the Inventory and Equipment to be placed in a public or field warehouse, and the Secured Party shall not be liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith

(b) Use of Premises and Patents. The Secured Party may:

(i) without notice, demand or other process, and without payment of any rent or any other charge enter any of the Debtor's premises and, without breach of the peace, until the Secured Party completes the enforcement of its rights in the Collateral, take possession of such premises or place custodians in exclusive control thereof, remain on such premises and use the same and any of the Debtor's equipment, for the purpose of (A) completing any work in process, preparing any Inventory and Equipment for disposition and disposing thereof and (B) collecting any Receivable; and

(ii) in the exercise of the rights of the Secured Party under this Agreement, without payment or compensation of any kind, use any and a trademarks, trade styles, trade names, patents, patent applications, licenses, franchises and the like to the extent of the rights of the Debtor therein, and the Debtor grants a license to the Secured Party for this purpose.

(c) Cash Collateral. The Secured Party may apply any cash Collateral to the payment of the Obligations in any order in which the Secured Party may elect or use such cash in connection with the exercise of any of its other rights hereunder.

(d) Rights as a Secured Creditor. The Secured Party may exercise all of the rights and remedies of a secured party under the UCC and under any other Applicable Law, including, without limitation, the right, without notice except as specified below and with or without taking possession thereof, to sell the Collateral or any part thereof in one or more parcels at public or private sale at any location chosen by the Secured Party, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable. The Debtor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to the Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(e) Waiver of Marshaling. The Debtor hereby waives any right to require any marshaling of assets and any similar right.

(f) Appointment of Receiver. The Secured Party shall be entitled to the appointment of a receiver, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the Collateral and/or the business operations of the Debtor and to exercise such power as the court shall confer upon such receiver.

(g) Receivables/Assigned Contracts. The Secured Party shall have the exclusive right to assert, either directly or on behalf of the Debtor, any and all rights and claims the Debtor may have under any Receivables and/or any of the Assigned Contracts as the Secured Party may deem proper and to receive and collect any and all Receivables and Assigned Contracts and any and all rent, fees, damages, awards and other monies arising thereunder or resulting therefrom and to apply the same on account of any of the Obligations.

Section 12. Application of Proceeds. All proceeds from each sale of, or other realization upon, all or any part of the Collateral following an Event of Default shall be applied or paid over as follows:

(a) First: to the payment of all costs and expenses incurred in connection with such sale or other realization, including reasonable attorneys' fees if the Secured Party endeavored to collect the Obligations by or through an attorney at law;

(b) Second: to the payment of the interest due upon any of the Obligations, in any order which the Secured Party may elect;

(c) Third: to the payment of the principal due upon any of the Obligations in any order which the Secured Party may elect; and

(d) Fourth: the balance (if any) of such proceeds shall be paid to the Debtor or to whomsoever may be legally entitled thereto

The Debtor shall remain liable and shall pay, on demand, any deficiency remaining in respect of the Obligations, together with interest thereon at a rate per annum equal to the highest rate then payable hereunder on such Obligations, which interest shall constitute part of the Obligations.

Section 13. FCC Matters. Notwithstanding any other provision of this Agreement to the contrary, any foreclosure on, sale, transfer or other disposition of, or the exercise of any right to vote or consent with respect to, any of the Collateral as provided herein or any other action taken or proposed to be taken by the Secured Party hereunder which would affect the operational, voting or other control of the Debtor or any other Loan Party that holds a License granted by the FCC, shall be pursuant to the Communications Laws and to any other Applicable Laws of any state, and, to the extent required thereby,

subject to the prior approval of the FCC or any applicable state PUC. Upon the occurrence and during the continuance of an Event of Default, the Debtor shall assist, and cause each of its Subsidiaries to assist, in obtaining all necessary approvals of the FCC and applicable state PUCs, if required, for any action or transactions contemplated by this Agreement, including, without limitation, the preparation, execution and filing with the FCC of the assignor's or transferor's portion of any applications for consent to the assignment of any license or transfer of control necessary or appropriate under the rules and regulations of the FCC or applicable state PUCs, for approval of the transfer or assignment of any portion of the Pledged Collateral. The Debtor acknowledges that there is no adequate remedy at law for failure by the Debtor to comply with the provisions of this Section and that such failure would not be adequately compensated in dollar damages, and therefore the Debtor agrees, without limiting the right of the Secured Party to seek and obtain specific performance of other obligations of the Debtor contained in this Agreement, that the agreements contained in this paragraph may be specifically enforced

Section 14. Rights Cumulative. The rights and remedies of the Secured Party under this Agreement, the Credit Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which it would otherwise have. In exercising its rights and remedies the Secured Party may be selective and no failure or delay by the Secured Party in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

Section 15. Expenses. The Debtor will pay, on demand, all out-of-pocket expenses incurred by the Secured Party in connection with: (a) the collection or enforcement of the Obligations including reasonable fees and disbursements of counsel to the Secured Party if such collection or enforcement is done through or by an attorney; and (b) the exercise by the Secured Party of any right or remedy granted to it under this Agreement whether or not a Default or Event of Default has occurred, including, without limitation, the expenses incurred by the Secured Party in connection with the collection of Receivables directly from account debtors.

Section 16. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 17. Notices. Unless otherwise provided herein, all notices and other communications provided for hereunder shall be in given in accordance with the applicable provisions of the Guaranty.

Section 18. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the Obligations, (ii) be binding upon the Debtor, its

successors and assigns and (iii) inure the benefit of the Secured Party, and its successors and assigns. The Debtor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefore.

Section 19. Applicable Law. Severability THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

Section 20. Arbitration ANY CONTROVERSY OR CLAIM BETWEEN THE DEBTOR AND THE SECURED PARTY, INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT, SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE, THE APPLICABLE STATE LAW), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF JUDICIAL ARBITRATION AND MEDIATION SERVICES, INC. (J.A.M.S.), AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO CONTEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION.

A. SPECIAL RULES. THE ARBITRATION SHALL BE CONDUCTED IN THE CITY OF THE DEBTOR'S DOMICILE AT THE TIME OF THIS AGREEMENT'S EXECUTION AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION; FURTHER, THE ARBITRATOR SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS.

B. RESERVATION OF RIGHTS. NOTHING IN THIS AGREEMENT SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS AGREEMENT; OR (II) BE A WAIVER BY THE SECURED

PARTY OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC. 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW; OR (III) LIMIT THE RIGHT OF THE SECURED PARTY HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSE AGAINST ANY REAL OR PERSONAL PROPERTY COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER. THE SECURED PARTY MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSE UPON SUCH PROPERTY, OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS AGREEMENT. NEITHER THE EXERCISE OF SELF HELP REMEDIES NOR THE INSTITUTION OR MAINTENANCE OF AN ACTION FOR FORECLOSURE OR PROVISIONAL OR ANCILLARY REMEDIES SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CONTROVERSY OR CLAIM OCCASIONING RESORT TO SUCH REMEDIES.

Section 21. Indemnification. The Debtor agrees to indemnify and hold the Secured Party harmless from and against any claim, loss, damage, action, cause of action, liability, cost and expense or suit of any kind or nature whatsoever, brought against or incurred by the Secured Party, in any manner arising out of or, directly or indirectly, related to or connected with the operation of the Debtor's business, any action taken by the Secured Party with respect to any Receivable or Assigned Contract pursuant to this Agreement or any other action taken by the Secured Party pursuant to the terms of this Agreement, including, without limitation, claims brought against the Secured Party by any Account Debtor.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same instrument.

Section 23. Definitions. (a) For the purposes of this Agreement:

"Agreement" means this Security Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Assigned Contract" means any contract or agreement to which the Debtor is a party or which runs in favor of the Debtor and which constitutes part of the Collateral.

"Collateral" means all of the Debtor's right, title and interest in and to each of the following, wherever located and whether now or hereafter existing, or now owned or hereafter acquired or arising:

(a) all Receivables of the Debtor;

(b) all Inventory;

(c) all Equipment,

(d) all rights of the Debtor as an unpaid vendor or lienor (including, without limitation, stoppage in transit, replevin and reclamation) with respect to any Inventory or other properties of the Debtor;

(e) all patents, trademarks, trade names, service marks, trade secrets, copyrights, mask works and exclusive licenses (including all pending patents, trademarks, trade names, service marks and copyrights and all applications, materials, documents and other matter relating thereto), all inventions, and all manufacturing, engineering and production plans, blueprints, drawings, specifications, processes and systems, all computer programs, data bases, systems and software (including source and object codes), goodwill, choses-in-action, and all other general intangibles of every nature, type and description, whether now owned or hereafter acquired by the Debtor;

(f) all documents of title, policies and certificates of insurance, chattel paper and instruments of the Debtor;

(g) all books, records, files and correspondence in any way related to any of the foregoing or otherwise pertaining to the business operations of the Debtor;

(h) any and all balances, credits, deposits, accounts, items and monies of the Debtor now or hereafter with the Secured Party or any affiliate of the Secured Party or deposited with the Secured Party or any financial institution selected by the Secured Party pursuant to any lock box, deposit, escrow or other collection agreement or otherwise, and all property of the Debtor of every kind and description now or hereafter in the possession or control of the Secured Party for any reason; and

(i) any and all products and proceeds of any of the foregoing (including, but not limited to, any claims to any items referred to in this definition, and any claims of the Debtor against third parties for loss of, damage to or destruction of, any or all of the Collateral or for proceeds payable under, or unearned premiums with respect to, policies of insurance) in whatever form, including, but not limited to, cash, instruments, general intangibles, accounts receivable, goods, documents and chattel paper.

"Debtor" has the meaning set forth in the first paragraph hereof

"Equipment" means all equipment, machinery, apparatus, fittings, fixtures and other tangible personal property (other than Inventory) of every kind and description used in the Debtor's business operations or owned by the Debtor or in which the Debtor has an interest, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor.

"Inventory" means (a) all inventory of the Debtor and all goods intended for sale or lease by the Debtor, or for display or demonstration, (b) all work-in-process, (c) all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in the Debtor's business; and (d) all documents relating to any of the foregoing.

"Obligations" means, individually and collectively:

(i) all obligations and indebtedness of the Debtor, owing to the Secured Party of every kind, nature and description, under or with respect to the Guaranty, this Agreement or any of the other Loan Documents, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note,

(ii) all other obligations and indebtedness owing by the Debtor to the Secured Party and all future advances made to the Debtor by the Secured Party, however and whenever created, arising or evidenced, whether direct or indirect, through assignment from third parties, whether absolute or contingent, or otherwise, now or hereafter existing, or due or to become due, including, without limitation, obligations under all guaranties, letters of credit and overdrafts;

(iii) any and all renewals, modifications, extensions and supplements to any of the foregoing.

Without limitation of the foregoing, the term "Obligations" shall include any Indebtedness of the Debtor to any other Loan Party which now or hereafter becomes owing to the Secured Party as assignee of such other Loan Party pursuant to any of the Security Documents or otherwise.

"Secured Party" has the meaning set forth in the first paragraph hereof

"Security Interest" means the Lien of the Secured Party upon, and the collateral assignments to the Secured Party of, the Collateral effected hereby or pursuant to the terms hereof

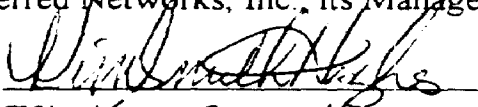
(b) Unless otherwise set forth herein to the contrary, all terms not otherwise defined herein and which are defined in the UCC are used herein with the meanings ascribed to them in the UCC. Terms not otherwise defined herein or in the UCC are used herein with the respective meanings given them in the Credit Agreement.

[Signature on Next Page]

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be duly executed and delivered under seal by its duly authorized officers as of the day first above written.

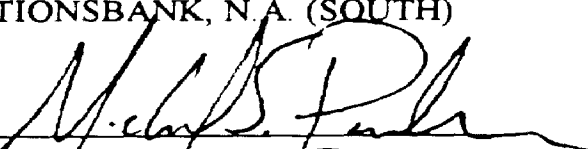
PNI SPECTRUM, LLC

By Preferred Networks, Inc., its Manager

By: 
Name: KIM SMITH HUGHES
Title: CHIEF FINANCIAL OFFICER

Agreed and accepted as of the date first written above.

NATIONSBANK, N.A. (SOUTH)

By: 
Name: MICHAEL S. PAULSON
Title: ASSISTANT VICE PRESIDENT

SCHEDULE 2(d)

PNI SPECTRUM, LLC

5300 Oakbrook Parkway
Suite 320
Norcross, Georgia 30093
Gwinnett County, Georgia

SCHEDULE 2(d)

AD963480.216

TRADEMARK
REEL: 001992 FRAME: 0298

SCHEDULE 2(e)

PNI SPECTRUM, LLC

850 Center Way
Norcross, Georgia 30071
Gwinnett County, Georgia

SCHEDULE 2(e)

AD963480.216

TRADEMARK
REEL: 001992 FRAME: 0299

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of December 20, 1996 executed and delivered by PREFERRED TECHNICAL SERVICES, INC., a corporation organized under the laws of the State of Georgia, with its principal place of business and chief executive office located at 5801 Goshen Springs Road, Suite D, Norcross, Gwinnett County, Georgia 30071 (the "Debtor"), in favor of NATIONSBANK, N.A. (SOUTH) with an office located at 600 Peachtree Street, 18th Floor, Atlanta, Georgia 30308 (the "Secured Party").

WHEREAS, Preferred Networks, Inc., PNI Systems, LLC and the Secured Party have entered into that certain Credit Agreement dated as of August 8, 1996 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Secured Party has agreed to extend certain financial accommodations to the Borrowers subject to the terms thereof,

WHEREAS, the Debtor is an Affiliate of the Borrowers;

WHEREAS, the Debtor, the Borrowers and the other Subsidiaries of the Borrowers, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Lender through their collective efforts;

WHEREAS, the Debtor acknowledges that it will receive direct and indirect benefits from the Secured Party making such financial accommodations available to the Borrowers under the Credit Agreement and, accordingly, the Debtor agreed to guaranty the Borrowers' obligations to the Secured Party on the terms and conditions contained in that certain Guaranty dated as of the date hereof (as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with its terms, the "Guaranty") executed by the Debtor in favor of the Secured Party;

WHEREAS, the Debtor is executing and delivering this Agreement to secure its obligations owing to the Secured Party under the Guaranty and the other Loan Documents to which the Debtor is a party;

WHEREAS, it is a condition precedent to the Secured Party's extension of such financial accommodations under the Credit Agreement that the Debtor execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby agrees with the Secured Party as follows:

Section 1. Grant of Security. To secure the prompt and complete payment, observance and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Debtor hereby collaterally assigns and pledges to the Secured Party, and grants to the Secured Party a security interest in, the Collateral.

Section 2. Representations and Warranties. The Debtor represents and warrants to the Secured Party as follows:

(a) **Name, Taxpayer ID Number.** The correct corporate name of the Debtor is set forth in the first paragraph of this Agreement, and the Debtor does not conduct and, since its formation has not conducted, business under any trade name or other fictitious name. The Internal Revenue Service taxpayer identification number of the Debtor is 58-2245736.

(b) **Loan Document Representations.** The Debtor hereby makes to the Secured Party all of the representations and warranties made by the Borrowers with respect to or in any way relating to the Debtor in the Credit Agreement and the other Loan Documents, as if the same were set forth herein in full.

(c) **Liens.** None of the Collateral or other properties of the Debtor is, as of the date hereof, subject to any Lien, except Permitted Liens.

(d) **Chief Executive Office.** The chief executive office and principal place of business of the Debtor and the books and records relating to the Receivables and the other Collateral are located at the Debtor's address set forth in the first paragraph of this Agreement, and, except as set forth on Schedule 2(d), have been located there for the five-year period ending on the date hereof. The Debtor has not changed its name, identity or corporate structure in any way since the Debtor's formation.

(e) **Places of Business.** The addresses (including the applicable counties) of all of the current places of business of the Debtor, and all other places of business of the Debtor during the five-year period ending on the date hereof, are set forth on Schedule 2(e) attached hereto.

(f) **Inventory.** All Inventory is in good condition, meets all standards imposed by any Governmental Authority having regulatory authority over such goods, their use or sale, and is currently either usable or salable in the normal course of the Debtor's business. All Inventory is located on one or more of the places set forth on Schedule 2(e) hereof or is in transit to one of such locations.

(g) **Equipment.** All Equipment of the Debtor is in good order and repair and is located on or at one or more of the places set forth on Schedule 2(e) hereof. During the five-year period ending on the date hereof, no Inventory or Equipment of the Debtor was located at any other place of business except as set forth on Schedule 2(e) hereof.

(h) Security Interest. It is the intent of the Debtor that this Agreement create a valid and perfected first-priority security interest in the Collateral, securing the payment of the Obligations.

Section 3. Continued Priority of Security Interest

(a) The Security Interest shall at all times be valid, perfected and of first priority and enforceable against the Debtor and all other Persons, in accordance with the terms of this Agreement, as security for the Obligations.

(b) The Debtor shall, at its sole cost and expense, take all action that may be necessary or desirable, or that the Secured Party may request, so as at all times to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 3(a), or to enable the Secured Party to exercise or enforce its rights hereunder, including without limitation: (i) paying all taxes, assessments and other claims lawfully levied or assessed on any of the Collateral, except to the extent that such taxes, assessments and other claims constitute Permitted Liens; (ii) obtaining landlords', mortgagees', mechanics', bailees', warehousemen's or processors' releases, subordinations or waivers with respect to any or all of the Collateral, in form and substance satisfactory to the Secured Party; (iii) delivering to the Secured Party, endorsed or accompanied by such instruments of assignment as the Secured Party may specify, any and all chattel paper, instruments, letters of credit and all other advices of guaranty and documents evidencing or forming a part of the Collateral; (iv) at the request of the Secured Party, marking conspicuously each document included in the Collateral and marking all chattel paper and each of its records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Secured Party, indicating that such document, chattel paper, or Collateral is subject to the Security Interest, and (v) executing and delivering financing statements, pledges, notices and assignments, in each case in form and substance satisfactory to the Secured Party, relating to the creation, validity, perfection, priority or continuation of the Security Interest under the UCC or other Applicable Law.

(c) The Secured Party is hereby authorized to execute and file in all necessary and appropriate jurisdictions (as determined by the Secured Party) one or more financing or continuation statements (or any other document or instrument referred to in Section 3(b)(v) above) in the name of the Debtor and to sign the Debtor's name thereto. The Debtor authorizes the Secured Party to file any such financing statement, document or instrument without the signature of the Debtor to the extent permitted by Applicable Law. Further, to the extent permitted by Applicable Law, a carbon, photographic, xerographic, photostatic, microphotographic, optical image reproduction or other reproduction of this Agreement or of any financing statement is sufficient as a financing statement.

Section 4. Covenants Regarding Contracts.

(a) Anything herein to the contrary notwithstanding, (i) the Debtor shall remain liable under all Assigned Contracts to the extent set forth therein to perform its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Secured Party of any of its rights hereunder shall not release the Debtor from any of its duties or obligations under any of the Assigned Contracts (except to the extent that such exercise prevents the Debtor from satisfying such duties and obligations), and (iii) the Secured Party shall not have any duties, obligations or liability under any of the Assigned Contracts or duties by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the duties or obligations of the Debtor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Debtor or the sufficiency of any performance by any party under any such contract or agreement, or to take any action to collect or enforce any claim for payment assigned hereunder.

(b) The Debtor shall perform and observe all the terms and provisions of the Assigned Contracts to be performed or observed by it, maintain the Assigned Contracts in full force and effect to the extent of the Debtor's normal business practices, and enforce the Assigned Contracts in accordance with their terms to the extent of the Debtor's normal business practices.

Section 5. Covenants Regarding Collateral Generally.

(a) Verification. After the occurrence of a Default or Event of Default, the Secured Party shall have the right at any time and from time to time, in the name of the Secured Party or in the name of the Debtor, to verify the validity, amount or any other matter relating to any Receivables by mail, telephone or otherwise.

(b) Delivery of Instruments. In the event any of the Collateral becomes evidenced by a promissory note, trade acceptance or any other instrument, the Debtor will immediately thereafter deliver such instrument to the Secured Party, appropriately endorsed to the Secured Party.

(c) Defense of Title. The Debtor shall at all times be the sole owner of each and every item of Collateral and shall defend its title in and to, and the Security Interest in, the Collateral against the claims and demands of all Persons.

(d) Maintenance of Collateral. The Debtor shall maintain all physical property that constitutes Collateral in good and workable condition, with reasonable allowance for wear and tear, and shall exercise proper custody over all such property.

(e) Insurance. The Debtor shall at all times maintain insurance on the Collateral against loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards and risks as the Secured Party shall reasonably specify, in amounts and under policies issued by the Debtor's present insurers or other insurers acceptable to the Secured Party. All premiums on such insurance shall be paid by the Debtor and certified

copies of the policies, or other evidence of insurance acceptable to the Secured Party, shall be delivered to the Secured Party promptly upon the Secured Party's request. The Debtor will not use or permit the Collateral to be used unlawfully or outside of any insurance coverage. All insurance policies required under this Section shall contain loss payable clauses on New York standard loss payee forms or other forms satisfactory to the Secured Party, naming the Secured Party as loss payee, and providing that: (i) all proceeds thereunder shall be payable directly to the Secured Party; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; (iii) such policies and loss payable clauses may not be canceled, amended or terminated with respect to the Secured Party unless at least thirty days' prior written notice is given to the Secured Party, and (iv) there shall be no recourse against the Secured Party for payment of premiums or other amounts with respect thereto. Any proceeds of insurance referred to in this Section which are paid to the Secured Party shall be applied to the payment or prepayment of the Obligations in accordance with Section 12 hereof.

(f) Location of Office. The Debtor's chief executive office, principal place of business, and its books and records relating to the Collateral will continue to be kept at the address set forth in the first paragraph of this Agreement and the Debtor will not change the location of such office and place of business or such books and records without giving the Secured Party at least 30 days' prior written notice thereof.

(g) Location of Collateral. All Inventory, other than Inventory in transit to any such location, and all Equipment will at all times be kept by the Debtor at the current locations set forth on Schedule 2(e), and shall not, without the prior written consent of the Secured Party, be removed therefrom except in connection with sales thereof in the ordinary course of business.

(h) Change of Name, Structure, Etc. Without giving the Secured Party at least 30 day's prior written notice, the Debtor will not (i) change its name, identity or structure or (ii) conduct business under any trade name or other fictitious name.

(i) Records Relating to Collateral. The Debtor will at all times keep complete and accurate records of Inventory and Equipment, itemizing and describing the kind, type and quantity of Inventory and Equipment and the Debtor's cost therefor and a current price list for any Inventory, and keep complete and accurate records of all other Collateral.

(j) Inspection. The Debtor shall permit any representatives designated by the Secured Party upon reasonable notice to visit and inspect the properties of the Debtor and to inspect its financial and business records and make extracts therefrom and copies thereof, all at reasonable times during normal business hours and in a manner so as not to unreasonably disrupt the operations of the Debtor and as often as reasonably requested. The Debtor shall permit the Secured Party or any representatives designated by the Secured Party upon reasonable notice to discuss the affairs, finances and condition of any of the Debtor with its officers and, after prior notice to the Debtor (so long as no

Event of Default has occurred and is continuing), the independent accountants for the Debtor.

(k) Other Information. The Debtor shall furnish to the Secured Party such other information with respect to the Collateral, including, but not limited to, physical listings of Inventory and Equipment, as the Secured Party may request from time to time.

(l) Payments Directly to Secured Party. The Secured Party may at any time and from time to time after the occurrence of a Default or Event of Default notify, or request the Debtor to notify, in writing or otherwise, any Account Debtor or other obligor with respect to any one or more of the Receivables or Assigned Contracts to make payment to the Secured Party or any agent or designee of the Secured Party directly, at such address as may be specified by the Secured Party. If, notwithstanding the giving of any notice, any Account Debtor or other such obligor shall make payment to the Debtor, the Debtor shall hold all such payments it receives in trust for the Secured Party, without commingling the same with other funds or property of or held by the Debtor, and shall promptly deliver the same to the Secured Party or any such agent or designee immediately upon receipt by the Debtor in the identical form received, together with any necessary endorsements.

(m) Sale of Collateral. The Debtor shall not sell, lease or transfer or otherwise dispose of any Collateral outside the ordinary course of its business; provided, however the Debtor may dispose of its Inventory in the ordinary course of its business so long as no Default or Event of Default shall have occurred. The inclusion of "proceeds" of the Collateral under the Security Interest shall not be deemed a consent by the Secured Party to any other sale or other disposition of any part or all of the Collateral.

Section 6. Covenants. So long as any Obligations remain unpaid or unperformed, the Debtor shall comply with all covenants which the Borrowers are to cause the Debtor to comply with under the terms of the Credit Agreement or any of the other Loan Documents.

Section 7. Liens. The Debtor shall not create, assume, incur or permit or suffer to exist or to be created, assumed or incurred, any Lien upon any of the Collateral other than Permitted Liens.

Section 8. The Secured Party Appointed Attorney-in-Fact. The Debtor hereby irrevocably appoints the Secured Party the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument or document which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement and to exercise any rights and remedies the Secured Party may have under this Agreement or Applicable Law, including, without limitation: (i) to obtain and adjust insurance required to be maintained pursuant to the terms of this Agreement or any other Loan Document; (ii) to ask, demand, collect, sue for, recover, compromise,

receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral including any Receivable; (iii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (i) or (ii) above; (iv) to sell or assign any Receivable upon such terms, for such amount and at such time or times as the Secured Party deems advisable, to settle, adjust, compromise, extend or renew any Receivable or to discharge and release any Receivable; and (v) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral. The power-of-attorney granted hereby shall be irrevocable and coupled with an interest.

Section 9. The Secured Party May Perform. If the Debtor fails to perform any agreement contained herein, the Secured Party may, without notice to the Debtor, itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Debtor under Section 15 hereof

Section 10. The Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property; it being understood that the Secured Party shall be under no obligation to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral, but may do so at its option, and all reasonable expenses incurred in connection therewith shall be for the sole account of the Debtor and shall be added to the Obligations.

Section 11. Remedies. The Secured Party may take any or all of the following actions upon the occurrence of an Event of Default hereunder.

(a) Inventory and Equipment

(i) Entry. The Secured Party may enter upon any premises on which Inventory or Equipment may be located and, without resistance or interference by the Debtor, take physical possession of any or all thereof and maintain such possession on such premises or move the same or any part thereof to such other place or places as the Secured Party shall choose, without being liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(ii) Assembly. The Debtor shall, upon request of and without charge to the Secured Party, assemble the Inventory and Equipment and maintain or deliver it into the possession of the Secured Party or any agent or representative of the

Secured Party at such place or places as the Secured Party may designate and as are reasonably convenient to both the Secured Party and the Debtor.

(iii) Warehousing. The Secured Party may, at the expense of the Debtor, cause any of the Inventory and Equipment to be placed in a public or field warehouse, and the Secured Party shall not be liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(b) Use of Premises and Patents. The Secured Party may:

(i) without notice, demand or other process, and without payment of any rent or any other charge enter any of the Debtor's premises and, without breach of the peace, until the Secured Party completes the enforcement of its rights in the Collateral, take possession of such premises or place custodians in exclusive control thereof, remain on such premises and use the same and any of the Debtor's equipment, for the purpose of (A) completing any work in process, preparing any Inventory and Equipment for disposition and disposing thereof and (B) collecting any Receivable; and

(ii) in the exercise of the rights of the Secured Party under this Agreement, without payment or compensation of any kind, use any and a trademarks, trade styles, trade names, patents, patent applications, licenses, franchises and the like to the extent of the rights of the Debtor therein, and the Debtor grants a license to the Secured Party for this purpose.

(c) Cash Collateral. The Secured Party may apply any cash Collateral to the payment of the Obligations in any order in which the Secured Party may elect or use such cash in connection with the exercise of any of its other rights hereunder.

(d) Rights as a Secured Creditor. The Secured Party may exercise all of the rights and remedies of a secured party under the UCC and under any other Applicable Law, including, without limitation, the right, without notice except as specified below and with or without taking possession thereof, to sell the Collateral or any part thereof in one or more parcels at public or private sale at any location chosen by the Secured Party, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable. The Debtor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to the Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(e) Waiver of Marshaling. The Debtor hereby waives any right to require any marshaling of assets and any similar right.

(f) Appointment of Receiver. The Secured Party shall be entitled to the appointment of a receiver, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the Collateral and/or the business operations of the Debtor and to exercise such power as the court shall confer upon such receiver.

(g) Receivables/Assigned Contracts. The Secured Party shall have the exclusive right to assert, either directly or on behalf of the Debtor, any and all rights and claims the Debtor may have under any Receivables and/or any of the Assigned Contracts as the Secured Party may deem proper and to receive and collect any and all Receivables and Assigned Contracts and any and all rent, fees, damages, awards and other monies arising thereunder or resulting therefrom and to apply the same on account of any of the Obligations.

Section 12. Application of Proceeds. All proceeds from each sale of, or other realization upon, all or any part of the Collateral following an Event of Default shall be applied or paid over as follows:

(a) First: to the payment of all costs and expenses incurred in connection with such sale or other realization, including reasonable attorneys' fees if the Secured Party endeavored to collect the Obligations by or through an attorney at law;

(b) Second: to the payment of the interest due upon any of the Obligations, in any order which the Secured Party may elect;

(c) Third: to the payment of the principal due upon any of the Obligations in any order which the Secured Party may elect; and

(d) Fourth: the balance (if any) of such proceeds shall be paid to the Debtor or to whomsoever may be legally entitled thereto.

The Debtor shall remain liable and shall pay, on demand, any deficiency remaining in respect of the Obligations, together with interest thereon at a rate per annum equal to the highest rate then payable hereunder on such Obligations, which interest shall constitute part of the Obligations.

Section 13. FCC Matters. Notwithstanding any other provision of this Agreement to the contrary, any foreclosure on, sale, transfer or other disposition of, or the exercise of any right to vote or consent with respect to, any of the Collateral as provided herein or any other action taken or proposed to be taken by the Secured Party hereunder which

would affect the operational, voting or other control of the Debtor or any other Loan Party that holds a License granted by the FCC, shall be pursuant to the Communications Laws and to any other Applicable Laws of any state, and, to the extent required hereby, subject to the prior approval of the FCC or any applicable state PUC. Upon the occurrence and during the continuance of an Event of Default, the Debtor shall assist, and cause each of its Subsidiaries to assist, in obtaining all necessary approvals of the FCC and applicable state PUCs, if required, for any action or transactions contemplated by this Agreement, including, without limitation, the preparation, execution and filing with the FCC of the assignor's or transferor's portion of any applications for consent to the assignment of any license or transfer of control necessary or appropriate under the rules and regulations of the FCC or applicable state PUCs, for approval of the transfer or assignment of any portion of the Pledged Collateral. The Debtor acknowledges that there is no adequate remedy at law for failure by the Debtor to comply with the provisions of this Section and that such failure would not be adequately compensated in dollar damages, and therefore the Debtor agrees, without limiting the right of the Secured Party to seek and obtain specific performance of other obligations of the Debtor contained in this Agreement, that the agreements contained in this paragraph may be specifically enforced.

Section 14. Rights Cumulative. The rights and remedies of the Secured Party under this Agreement, the Credit Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which it would otherwise have. In exercising its rights and remedies the Secured Party may be selective and no failure or delay by the Secured Party in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

Section 15. Expenses. The Debtor will pay, on demand, all out-of-pocket expenses incurred by the Secured Party in connection with: (a) the collection or enforcement of the Obligations including reasonable fees and disbursements of counsel to the Secured Party if such collection or enforcement is done through or by an attorney; and (b) the exercise by the Secured Party of any right or remedy granted to it under this Agreement whether or not a Default or Event of Default has occurred, including, without limitation, the expenses incurred by the Secured Party in connection with the collection of Receivables directly from account debtors.

Section 16. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 17. Notices. Unless otherwise provided herein, all notices and other communications provided for hereunder shall be in given in accordance with the applicable provisions of the Guaranty.

Section 18. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the Obligations, (ii) be binding upon the Debtor, its successors and assigns and (iii) inure the benefit of the Secured Party, and its successors and assigns. The Debtor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefore.

Section 19. Applicable Law, Severability. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

Section 20. Arbitration. ANY CONTROVERSY OR CLAIM BETWEEN THE DEBTOR AND THE SECURED PARTY, INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT, SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE, THE APPLICABLE STATE LAW), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF JUDICIAL ARBITRATION AND MEDIATION SERVICES, INC. (J.A.M.S.), AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO CONTEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION.

A. SPECIAL RULES. THE ARBITRATION SHALL BE CONDUCTED IN THE CITY OF THE DEBTOR'S DOMICILE AT THE TIME OF THIS AGREEMENT'S EXECUTION AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION; FURTHER, THE ARBITRATOR SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS.

B. RESERVATION OF RIGHTS. NOTHING IN THIS AGREEMENT SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS AGREEMENT; OR (II) BE A WAIVER BY THE SECURED PARTY OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC. 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW; OR (III) LIMIT THE RIGHT OF THE SECURED PARTY HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSE AGAINST ANY REAL OR PERSONAL PROPERTY COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER. THE SECURED PARTY MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSE UPON SUCH PROPERTY, OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS AGREEMENT. NEITHER THE EXERCISE OF SELF HELP REMEDIES NOR THE INSTITUTION OR MAINTENANCE OF AN ACTION FOR FORECLOSURE OR PROVISIONAL OR ANCILLARY REMEDIES SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CONTROVERSY OR CLAIM OCCASIONING RESORT TO SUCH REMEDIES.

Section 21. Indemnification. The Debtor agrees to indemnify and hold the Secured Party harmless from and against any claim, loss, damage, action, cause of action, liability, cost and expense or suit of any kind or nature whatsoever, brought against or incurred by the Secured Party, in any manner arising out of or, directly or indirectly, related to or connected with the operation of the Debtor's business, any action taken by the Secured Party with respect to any Receivable or Assigned Contract pursuant to this Agreement or any other action taken by the Secured Party pursuant to the terms of this Agreement, including, without limitation, claims brought against the Secured Party by any Account Debtor.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same instrument.

Section 23. Definitions. (a) For the purposes of this Agreement:

"Agreement" means this Security Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Assigned Contract" means any contract or agreement to which the Debtor is a party or which runs in favor of the Debtor and which constitutes part of the Collateral.

"Collateral" means all of the Debtor's right, title and interest in and to each of the following, wherever located and whether now or hereafter existing, or now owned or hereafter acquired or arising:

(a) all Receivables of the Debtor;

(b) all Inventory;

(c) all Equipment;

(d) all rights of the Debtor as an unpaid vendor or lienor (including, without limitation, stoppage in transit, replevin and reclamation) with respect to any Inventory or other properties of the Debtor;

(e) all patents, trademarks, trade names, service marks, trade secrets, copyrights, mask works and exclusive licenses (including all pending patents, trademarks, trade names, service marks and copyrights and all applications, materials, documents and other matter relating thereto), all inventions, and all manufacturing, engineering and production plans, blueprints, drawings, specifications, processes and systems, all computer programs, data bases, systems and software (including source and object codes), goodwill, choses-in-action, and all other general intangibles of every nature, type and description, whether now owned or hereafter acquired by the Debtor;

(f) all documents of title, policies and certificates of insurance, chattel paper and instruments of the Debtor;

(g) all books, records, files and correspondence in any way related to any of the foregoing or otherwise pertaining to the business operations of the Debtor;

(h) any and all balances, credits, deposits, accounts, items and monies of the Debtor now or hereafter with the Secured Party or any affiliate of the Secured Party or deposited with the Secured Party or any financial institution selected by the Secured Party pursuant to any lock box, deposit, escrow or other collection agreement or otherwise, and all property of the Debtor of every kind and description now or hereafter in the possession or control of the Secured Party for any reason; and

(i) any and all products and proceeds of any of the foregoing (including, but not limited to, any claims to any items referred to in this definition, and any claims of the Debtor against third parties for loss of, damage to or destruction of, any or all of the Collateral or for proceeds payable under, or unearned premiums with respect to, policies of insurance) in whatever form, including, but not limited to, cash, instruments, general intangibles, accounts receivable, goods, documents and chattel paper.

"Debtor" has the meaning set forth in the first paragraph hereof

"Equipment" means all equipment, machinery, apparatus, fittings, fixtures and other tangible personal property (other than Inventory) of every kind and description used in the Debtor's business operations or owned by the Debtor or in which the Debtor has an interest, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor.

"Inventory" means (a) all inventory of the Debtor and all goods intended for sale or lease by the Debtor, or for display or demonstration, (b) all work-in-process, (c) all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in the Debtor's business; and (d) all documents relating to any of the foregoing.

"Obligations" means, individually and collectively:

(i) all obligations and indebtedness of the Debtor, owing to the Secured Party of every kind, nature and description, under or with respect to the Guaranty, this Agreement or any of the other Loan Documents, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note;

(ii) all other obligations and indebtedness owing by the Debtor to the Secured Party and all future advances made to the Debtor by the Secured Party, however and whenever created, arising or evidenced, whether direct or indirect, through assignment from third parties, whether absolute or contingent, or otherwise, now or hereafter existing, or due or to become due, including, without limitation, obligations under all guaranties, letters of credit and overdrafts;

(iii) any and all renewals, modifications, extensions and supplements to any of the foregoing.

Without limitation of the foregoing, the term "Obligations" shall include any Indebtedness of the Debtor to any other Loan Party which now or hereafter becomes owing to the Secured Party as assignee of such other Loan Party pursuant to any of the Security Documents or otherwise.

"Secured Party" has the meaning set forth in the first paragraph hereof

"Security Interest" means the Lien of the Secured Party upon, and the collateral assignments to the Secured Party of, the Collateral effected hereby or pursuant to the terms hereof

(b) Unless otherwise set forth herein to the contrary, all terms not otherwise defined herein and which are defined in the UCC are used herein with the meanings

ascribed to them in the UCC. Terms not otherwise defined herein or in the UCC are used herein with the respective meanings given them in the Credit Agreement.

[Signature on Next Page]

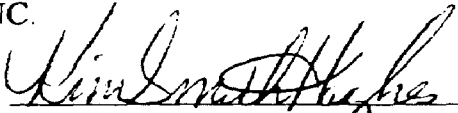
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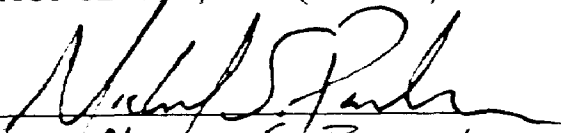
IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be duly executed and delivered under seal by its duly authorized officers as of the day first above written.

PREFERRED TECHNICAL SERVICES,
INC.

By: 
Name: KIM SMITH HUGHES
Title: CHIEF FINANCIAL OFFICER

Agreed and accepted as of the
date first written above.

NATIONSBANK, N.A. (SOUTH)

By: 
Name: MICHAEL S. PAULSON
Title: ASSISTANT VICE PRESIDENT

SCHEDULE 2(d)

PREFERRED TECHNICAL SERVICES, INC.

NONE

SCHEDULE 2(d)

AD963480.216

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SCHEDULE 2(e)

PREFERRED TECHNICAL SERVICES, INC.

5801 Goshen Springs Road
Suite D
Norcross, Georgia 30071
Gwinnett County, Georgia

SCHEDULE 2(e)

AD963480.216

TRADEMARK
REEL: 001992 FRAME: 0317

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of December 20, 1996 executed and delivered by PNI GEORGIA, INC., a corporation organized under the laws of the State of Georgia, with its principal place of business and chief executive office located at 850 Center Way, Norcross, Gwinnett County, Georgia 30071 (the "Debtor"), in favor of NATIONSBANK, N.A. (SOUTH) with an office located at 600 Peachtree Street, 18th Floor, Atlanta, Georgia 30308 (the "Secured Party").

WHEREAS, Preferred Networks, Inc., PNI Systems, LLC and the Secured Party have entered into that certain Credit Agreement dated as of August 8, 1996 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Secured Party has agreed to extend certain financial accommodations to the Borrowers subject to the terms thereof,

WHEREAS, the Debtor is an Affiliate of the Borrowers;

WHEREAS, the Debtor, the Borrowers and the other Subsidiaries of the Borrowers, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Lender through their collective efforts;

WHEREAS, the Debtor acknowledges that it will receive direct and indirect benefits from the Secured Party making such financial accommodations available to the Borrowers under the Credit Agreement and, accordingly, the Debtor agreed to guaranty the Borrowers' obligations to the Secured Party on the terms and conditions contained in that certain Guaranty dated as of the date hereof (as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with its terms, the "Guaranty") executed by the Debtor in favor of the Secured Party;

WHEREAS, the Debtor is executing and delivering this Agreement to secure its obligations owing to the Secured Party under the Guaranty and the other Loan Documents to which the Debtor is a party;

WHEREAS, it is a condition precedent to the Secured Party's extension of such financial accommodations under the Credit Agreement that the Debtor execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby agrees with the Secured Party as follows:

Section 1. Grant of Security. To secure the prompt and complete payment, observance and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Debtor hereby collaterally assigns and pledges to the Secured Party, and grants to the Secured Party a security interest in, the Collateral.

Section 2. Representations and Warranties. The Debtor represents and warrants to the Secured Party as follows:

(a) **Name, Taxpayer ID Number.** The correct corporate name of the Debtor is set forth in the first paragraph of this Agreement, and the Debtor does not conduct and, since its formation has not conducted, business under any trade name or other fictitious name. The Internal Revenue Service taxpayer identification number of the Debtor is 58-2273090.

(b) **Loan Document Representations.** The Debtor hereby makes to the Secured Party all of the representations and warranties made by the Borrowers with respect to or in any way relating to the Debtor in the Credit Agreement and the other Loan Documents, as if the same were set forth herein in full.

(c) **Liens.** None of the Collateral or other properties of the Debtor is, as of the date hereof, subject to any Lien, except Permitted Liens.

(d) **Chief Executive Office.** The chief executive office and principal place of business of the Debtor and the books and records relating to the Receivables and the other Collateral are located at the Debtor's address set forth in the first paragraph of this Agreement, and, except as set forth on Schedule 2(d), have been located there for the five-year period ending on the date hereof. The Debtor has not changed its name, identity or corporate structure in any way since the Debtor's formation.

(e) **Places of Business.** The addresses (including the applicable counties) of all of the current places of business of the Debtor, and all other places of business of the Debtor during the five-year period ending on the date hereof, are set forth on Schedule 2(e) attached hereto.

(f) **Inventory.** All Inventory is in good condition, meets all standards imposed by any Governmental Authority having regulatory authority over such goods, their use or sale, and is currently either usable or salable in the normal course of the Debtor's business. All Inventory is located on one or more of the places set forth on Schedule 2(e) hereof or is in transit to one of such locations.

(g) **Equipment.** All Equipment of the Debtor is in good order and repair and is located on or at one or more of the places set forth on Schedule 2(e) hereof. During the five-year period ending on the date hereof, no Inventory or Equipment of the Debtor was located at any other place of business except as set forth on Schedule 2(e) hereof.

(h) Security Interest. It is the intent of the Debtor that this Agreement create a valid and perfected first-priority security interest in the Collateral, securing the payment of the Obligations.

Section 3. Continued Priority of Security Interest.

(a) The Security Interest shall at all times be valid, perfected and of first priority and enforceable against the Debtor and all other Persons, in accordance with the terms of this Agreement, as security for the Obligations.

(b) The Debtor shall, at its sole cost and expense, take all action that may be necessary or desirable, or that the Secured Party may request, so as at all times to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 3(a), or to enable the Secured Party to exercise or enforce its rights hereunder, including without limitation: (i) paying all taxes, assessments and other claims lawfully levied or assessed on any of the Collateral, except to the extent that such taxes, assessments and other claims constitute Permitted Liens; (ii) obtaining landlords', mortgagees', mechanics', bailees', warehousemen's or processors' releases, subordinations or waivers with respect to any or all of the Collateral, in form and substance satisfactory to the Secured Party; (iii) delivering to the Secured Party, endorsed or accompanied by such instruments of assignment as the Secured Party may specify, any and all chattel paper, instruments, letters of credit and all other advices of guaranty and documents evidencing or forming a part of the Collateral; (iv) at the request of the Secured Party, marking conspicuously each document included in the Collateral and marking all chattel paper and each of its records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Secured Party, indicating that such document, chattel paper, or Collateral is subject to the Security Interest, and (v) executing and delivering financing statements, pledges, notices and assignments, in each case in form and substance satisfactory to the Secured Party, relating to the creation, validity, perfection, priority or continuation of the Security Interest under the UCC or other Applicable Law.

(c) The Secured Party is hereby authorized to execute and file in all necessary and appropriate jurisdictions (as determined by the Secured Party) one or more financing or continuation statements (or any other document or instrument referred to in Section 3(b)(v) above) in the name of the Debtor and to sign the Debtor's name thereto. The Debtor authorizes the Secured Party to file any such financing statement, document or instrument without the signature of the Debtor to the extent permitted by Applicable Law. Further, to the extent permitted by Applicable Law, a carbon, photographic, xerographic, photostatic, microphotographic, optical image reproduction or other reproduction of this Agreement or of any financing statement is sufficient as a financing statement.

Section 4. Covenants Regarding Contracts.

(a) Anything herein to the contrary notwithstanding, (i) the Debtor shall remain liable under all Assigned Contracts to the extent set forth therein to perform its

duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Secured Party of any of its rights hereunder shall not release the Debtor from any of its duties or obligations under any of the Assigned Contracts (except to the extent that such exercise prevents the Debtor from satisfying such duties and obligations), and (iii) the Secured Party shall not have any duties, obligations or liability under any of the Assigned Contracts or duties by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the duties or obligations of the Debtor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Debtor or the sufficiency of any performance by any party under any such contract or agreement, or to take any action to collect or enforce any claim for payment assigned hereunder.

(b) The Debtor shall perform and observe all the terms and provisions of the Assigned Contracts to be performed or observed by it, maintain the Assigned Contracts in full force and effect to the extent of the Debtor's normal business practices, and enforce the Assigned Contracts in accordance with their terms to the extent of the Debtor's normal business practices.

Section 5. Covenants Regarding Collateral Generally.

(a) Verification. After the occurrence of a Default or Event of Default, the Secured Party shall have the right at any time and from time to time, in the name of the Secured Party or in the name of the Debtor, to verify the validity, amount or any other matter relating to any Receivables by mail, telephone or otherwise.

(b) Delivery of Instruments. In the event any of the Collateral becomes evidenced by a promissory note, trade acceptance or any other instrument, the Debtor will immediately thereafter deliver such instrument to the Secured Party, appropriately endorsed to the Secured Party.

(c) Defense of Title. The Debtor shall at all times be the sole owner of each and every item of Collateral and shall defend its title in and to, and the Security Interest in, the Collateral against the claims and demands of all Persons.

(d) Maintenance of Collateral. The Debtor shall maintain all physical property that constitutes Collateral in good and workable condition, with reasonable allowance for wear and tear, and shall exercise proper custody over all such property.

(e) Insurance. The Debtor shall at all times maintain insurance on the Collateral against loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards and risks as the Secured Party shall reasonably specify, in amounts and under policies issued by the Debtor's present insurers or other insurers acceptable to the Secured Party. All premiums on such insurance shall be paid by the Debtor and certified copies of the policies, or other evidence of insurance acceptable to the Secured Party, shall be delivered to the Secured Party promptly upon the Secured Party's request. The Debtor

will not use or permit the Collateral to be used unlawfully or outside of any insurance coverage. All insurance policies required under this Section shall contain loss payable clauses on New York standard loss payee forms or other forms satisfactory to the Secured Party, naming the Secured Party as loss payee, and providing that: (i) all proceeds thereunder shall be payable directly to the Secured Party; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; (iii) such policies and loss payable clauses may not be canceled, amended or terminated with respect to the Secured Party unless at least thirty days' prior written notice is given to the Secured Party, and (iv) there shall be no recourse against the Secured Party for payment of premiums or other amounts with respect thereto. Any proceeds of insurance referred to in this Section which are paid to the Secured Party shall be applied to the payment or prepayment of the Obligations in accordance with Section 12 hereof.

(f) Location of Office. The Debtor's chief executive office, principal place of business, and its books and records relating to the Collateral will continue to be kept at the address set forth in the first paragraph of this Agreement and the Debtor will not change the location of such office and place of business or such books and records without giving the Secured Party at least 30 days' prior written notice thereof.

(g) Location of Collateral. All Inventory, other than Inventory in transit to any such location, and all Equipment will at all times be kept by the Debtor at the current locations set forth on Schedule 2(e), and shall not, without the prior written consent of the Secured Party, be removed therefrom except in connection with sales thereof in the ordinary course of business.

(h) Change of Name, Structure, Etc. Without giving the Secured Party at least 30 day's prior written notice, the Debtor will not (i) change its name, identity or structure or (ii) conduct business under any trade name or other fictitious name.

(i) Records Relating to Collateral. The Debtor will at all times keep complete and accurate records of Inventory and Equipment, itemizing and describing the kind, type and quantity of Inventory and Equipment and the Debtor's cost therefor and a current price list for any Inventory, and keep complete and accurate records of all other Collateral.

(j) Inspection. The Debtor shall permit any representatives designated by the Secured Party upon reasonable notice to visit and inspect the properties of the Debtor and to inspect its financial and business records and make extracts therefrom and copies thereof, all at reasonable times during normal business hours and in a manner so as not to unreasonably disrupt the operations of the Debtor and as often as reasonably requested. The Debtor shall permit the Secured Party or any representatives designated by the Secured Party upon reasonable notice to discuss the affairs, finances and condition of any of the Debtor with its officers and, after prior notice to the Debtor (so long as no Event of Default has occurred and is continuing), the independent accountants for the Debtor.

(k) Other Information. The Debtor shall furnish to the Secured Party such other information with respect to the Collateral, including, but not limited to, physical listings of Inventory and Equipment, as the Secured Party may request from time to time.

(l) Payments Directly to Secured Party. The Secured Party may at any time and from time to time after the occurrence of a Default or Event of Default notify, or request the Debtor to notify, in writing or otherwise, any Account Debtor or other obligor with respect to any one or more of the Receivables or Assigned Contracts to make payment to the Secured Party or any agent or designee of the Secured Party directly, at such address as may be specified by the Secured Party. If, notwithstanding the giving of any notice, any Account Debtor or other such obligor shall make payment to the Debtor, the Debtor shall hold all such payments it receives in trust for the Secured Party, without commingling the same with other funds or property of or held by the Debtor, and shall promptly deliver the same to the Secured Party or any such agent or designee immediately upon receipt by the Debtor in the identical form received, together with any necessary endorsements.

(m) Sale of Collateral. The Debtor shall not sell, lease or transfer or otherwise dispose of any Collateral outside the ordinary course of its business; provided, however the Debtor may dispose of its Inventory in the ordinary course of its business so long as no Default or Event of Default shall have occurred. The inclusion of "proceeds" of the Collateral under the Security Interest shall not be deemed a consent by the Secured Party to any other sale or other disposition of any part or all of the Collateral.

Section 6. Covenants. So long as any Obligations remain unpaid or unperformed, the Debtor shall comply with all covenants which the Borrowers are to cause the Debtor to comply with under the terms of the Credit Agreement or any of the other Loan Documents.

Section 7. Liens. The Debtor shall not create, assume, incur or permit or suffer to exist or to be created, assumed or incurred, any Lien upon any of the Collateral other than Permitted Liens.

Section 8. The Secured Party Appointed Attorney-in-Fact. The Debtor hereby irrevocably appoints the Secured Party the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument or document which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement and to exercise any rights and remedies the Secured Party may have under this Agreement or Applicable Law, including, without limitation: (i) to obtain and adjust insurance required to be maintained pursuant to the terms of this Agreement or any other Loan Document; (ii) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral including any Receivable; (iii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with

clause (i) or (ii) above; (iv) to sell or assign any Receivable upon such terms, for such amount and at such time or times as the Secured Party deems advisable, to settle, adjust, compromise, extend or renew any Receivable or to discharge and release any Receivable; and (v) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral. The power-of-attorney granted hereby shall be irrevocable and coupled with an interest.

Section 9. The Secured Party May Perform. If the Debtor fails to perform any agreement contained herein, the Secured Party may, without notice to the Debtor, itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Debtor under Section 15 hereof.

Section 10. The Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property; it being understood that the Secured Party shall be under no obligation to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral, but may do so at its option, and all reasonable expenses incurred in connection therewith shall be for the sole account of the Debtor and shall be added to the Obligations.

Section 11. Remedies. The Secured Party may take any or all of the following actions upon the occurrence of an Event of Default hereunder.

(a) Inventory and Equipment.

(i) Entry. The Secured Party may enter upon any premises on which Inventory or Equipment may be located and, without resistance or interference by the Debtor, take physical possession of any or all thereof and maintain such possession on such premises or move the same or any part thereof to such other place or places as the Secured Party shall choose, without being liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(ii) Assembly. The Debtor shall, upon request of and without charge to the Secured Party, assemble the Inventory and Equipment and maintain or deliver it into the possession of the Secured Party or any agent or representative of the Secured Party at such place or places as the Secured Party may designate and as are reasonably convenient to both the Secured Party and the Debtor.

(iii) Warehousing. The Secured Party may, at the expense of the Debtor, cause any of the Inventory and Equipment to be placed in a public or field warehouse, and the Secured Party shall not be liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(b) Use of Premises and Patents. The Secured Party may:

(i) without notice, demand or other process, and without payment of any rent or any other charge enter any of the Debtor's premises and, without breach of the peace, until the Secured Party completes the enforcement of its rights in the Collateral, take possession of such premises or place custodians in exclusive control thereof, remain on such premises and use the same and any of the Debtor's equipment, for the purpose of (A) completing any work in process, preparing any Inventory and Equipment for disposition and disposing thereof and (B) collecting any Receivable; and

(ii) in the exercise of the rights of the Secured Party under this Agreement, without payment or compensation of any kind, use any and a trademarks, trade styles, trade names, patents, patent applications, licenses, franchises and the like to the extent of the rights of the Debtor therein, and the Debtor grants a license to the Secured Party for this purpose.

(c) Cash Collateral. The Secured Party may apply any cash Collateral to the payment of the Obligations in any order in which the Secured Party may elect or use such cash in connection with the exercise of any of its other rights hereunder.

(d) Rights as a Secured Creditor. The Secured Party may exercise all of the rights and remedies of a secured party under the UCC and under any other Applicable Law, including, without limitation, the right, without notice except as specified below and with or without taking possession thereof, to sell the Collateral or any part thereof in one or more parcels at public or private sale at any location chosen by the Secured Party, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable. The Debtor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to the Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(e) Waiver of Marshaling. The Debtor hereby waives any right to require any marshaling of assets and any similar right

(f) Appointment of Receiver. The Secured Party shall be entitled to the appointment of a receiver, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the Collateral and/or the business operations of the Debtor and to exercise such power as the court shall confer upon such receiver.

(g) Receivables/Assigned Contracts. The Secured Party shall have the exclusive right to assert, either directly or on behalf of the Debtor, any and all rights and claims the Debtor may have under any Receivables and/or any of the Assigned Contracts as the Secured Party may deem proper and to receive and collect any and all Receivables and Assigned Contracts and any and all rent, fees, damages, awards and other monies arising thereunder or resulting therefrom and to apply the same on account of any of the Obligations.

Section 12. Application of Proceeds. All proceeds from each sale of, or other realization upon, all or any part of the Collateral following an Event of Default shall be applied or paid over as follows:

(a) First: to the payment of all costs and expenses incurred in connection with such sale or other realization, including reasonable attorneys' fees if the Secured Party endeavored to collect the Obligations by or through an attorney at law;

(b) Second: to the payment of the interest due upon any of the Obligations, in any order which the Secured Party may elect;

(c) Third: to the payment of the principal due upon any of the Obligations in any order which the Secured Party may elect; and

(d) Fourth: the balance (if any) of such proceeds shall be paid to the Debtor or to whomsoever may be legally entitled thereto.

The Debtor shall remain liable and shall pay, on demand, any deficiency remaining in respect of the Obligations, together with interest thereon at a rate per annum equal to the highest rate then payable hereunder on such Obligations, which interest shall constitute part of the Obligations.

Section 13. FCC Matters. Notwithstanding any other provision of this Agreement to the contrary, any foreclosure on, sale, transfer or other disposition of, or the exercise of any right to vote or consent with respect to, any of the Collateral as provided herein or any other action taken or proposed to be taken by the Secured Party hereunder which would affect the operational, voting or other control of the Debtor or any other Loan Party that holds a License granted by the FCC, shall be pursuant to the Communications Laws and to any other Applicable Laws of any state, and, to the extent required thereby,

subject to the prior approval of the FCC or any applicable state PUC. Upon the occurrence and during the continuance of an Event of Default, the Debtor shall assist, and cause each of its Subsidiaries to assist, in obtaining all necessary approvals of the FCC and applicable state PUCs, if required, for any action or transactions contemplated by this Agreement, including, without limitation, the preparation, execution and filing with the FCC of the assignor's or transferor's portion of any applications for consent to the assignment of any license or transfer of control necessary or appropriate under the rules and regulations of the FCC or applicable state PUCs, for approval of the transfer or assignment of any portion of the Pledged Collateral. The Debtor acknowledges that there is no adequate remedy at law for failure by the Debtor to comply with the provisions of this Section and that such failure would not be adequately compensated in dollar damages, and therefore the Debtor agrees, without limiting the right of the Secured Party to seek and obtain specific performance of other obligations of the Debtor contained in this Agreement, that the agreements contained in this paragraph may be specifically enforced.

Section 14. Rights Cumulative. The rights and remedies of the Secured Party under this Agreement, the Credit Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which it would otherwise have. In exercising its rights and remedies the Secured Party may be selective and no failure or delay by the Secured Party in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

Section 15. Expenses. The Debtor will pay, on demand, all out-of-pocket expenses incurred by the Secured Party in connection with: (a) the collection or enforcement of the Obligations including reasonable fees and disbursements of counsel to the Secured Party if such collection or enforcement is done through or by an attorney; and (b) the exercise by the Secured Party of any right or remedy granted to it under this Agreement whether or not a Default or Event of Default has occurred, including, without limitation, the expenses incurred by the Secured Party in connection with the collection of Receivables directly from account debtors.

Section 16. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 17. Notices. Unless otherwise provided herein, all notices and other communications provided for hereunder shall be in given in accordance with the applicable provisions of the Guaranty.

Section 18. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the Obligations, (ii) be binding upon the Debtor, its

successors and assigns and (iii) inure the benefit of the Secured Party, and its successors and assigns. The Debtor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefore.

Section 19. Applicable Law, Severability. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

Section 20. Arbitration. ANY CONTROVERSY OR CLAIM BETWEEN THE DEBTOR AND THE SECURED PARTY, INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT, SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE, THE APPLICABLE STATE LAW), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF JUDICIAL ARBITRATION AND MEDIATION SERVICES, INC. (J.A.M.S.), AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO CONTEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION.

A. SPECIAL RULES. THE ARBITRATION SHALL BE CONDUCTED IN THE CITY OF THE DEBTOR'S DOMICILE AT THE TIME OF THIS AGREEMENT'S EXECUTION AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION, FURTHER, THE ARBITRATOR SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS.

B. RESERVATION OF RIGHTS. NOTHING IN THIS AGREEMENT SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS AGREEMENT; OR (II) BE A WAIVER BY THE SECURED

PARTY OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC. 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW; OR (III) LIMIT THE RIGHT OF THE SECURED PARTY HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSE AGAINST ANY REAL OR PERSONAL PROPERTY COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER. THE SECURED PARTY MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSE UPON SUCH PROPERTY, OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS AGREEMENT. NEITHER THE EXERCISE OF SELF HELP REMEDIES NOR THE INSTITUTION OR MAINTENANCE OF AN ACTION FOR FORECLOSURE OR PROVISIONAL OR ANCILLARY REMEDIES SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CONTROVERSY OR CLAIM OCCASIONING RESORT TO SUCH REMEDIES.

Section 21. Indemnification. The Debtor agrees to indemnify and hold the Secured Party harmless from and against any claim, loss, damage, action, cause of action, liability, cost and expense or suit of any kind or nature whatsoever, brought against or incurred by the Secured Party, in any manner arising out of or, directly or indirectly, related to or connected with the operation of the Debtor's business, any action taken by the Secured Party with respect to any Receivable or Assigned Contract pursuant to this Agreement or any other action taken by the Secured Party pursuant to the terms of this Agreement, including, without limitation, claims brought against the Secured Party by any Account Debtor.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same instrument.

Section 23. Definitions. (a) For the purposes of this Agreement:

"Agreement" means this Security Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Assigned Contract" means any contract or agreement to which the Debtor is a party or which runs in favor of the Debtor and which constitutes part of the Collateral.

"Collateral" means all of the Debtor's right, title and interest in and to each of the following, wherever located and whether now or hereafter existing, or now owned or hereafter acquired or arising:

(a) all Receivables of the Debtor,

(b) all Inventory;

(c) all Equipment,

(d) all rights of the Debtor as an unpaid vendor or lienor (including, without limitation, stoppage in transit, replevin and reclamation) with respect to any Inventory or other properties of the Debtor;

(e) all patents, trademarks, trade names, service marks, trade secrets, copyrights, mask works and exclusive licenses (including all pending patents, trademarks, trade names, service marks and copyrights and all applications, materials, documents and other matter relating thereto), all inventions, and all manufacturing, engineering and production plans, blueprints, drawings, specifications, processes and systems, all computer programs, data bases, systems and software (including source and object codes), goodwill, choses-in-action, and all other general intangibles of every nature, type and description, whether now owned or hereafter acquired by the Debtor;

(f) all documents of title, policies and certificates of insurance, chattel paper and instruments of the Debtor;

(g) all books, records, files and correspondence in any way related to any of the foregoing or otherwise pertaining to the business operations of the Debtor;

(h) any and all balances, credits, deposits, accounts, items and monies of the Debtor now or hereafter with the Secured Party or any affiliate of the Secured Party or deposited with the Secured Party or any financial institution selected by the Secured Party pursuant to any lock box, deposit, escrow or other collection agreement or otherwise, and all property of the Debtor of every kind and description now or hereafter in the possession or control of the Secured Party for any reason; and

(i) any and all products and proceeds of any of the foregoing (including, but not limited to, any claims to any items referred to in this definition, and any claims of the Debtor against third parties for loss of, damage to or destruction of, any or all of the Collateral or for proceeds payable under, or unearned premiums with respect to, policies of insurance) in whatever form, including, but not limited to, cash, instruments, general intangibles, accounts receivable, goods, documents and chattel paper.

"Debtor" has the meaning set forth in the first paragraph hereof

"Equipment" means all equipment, machinery, apparatus, fittings, fixtures and other tangible personal property (other than Inventory) of every kind and description used in the Debtor's business operations or owned by the Debtor or in which the Debtor has an interest, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor

"Inventory" means (a) all inventory of the Debtor and all goods intended for sale or lease by the Debtor, or for display or demonstration, (b) all work-in-process; (c) all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in the Debtor's business; and (d) all documents relating to any of the foregoing.

"Obligations" means, individually and collectively:

(i) all obligations and indebtedness of the Debtor, owing to the Secured Party of every kind, nature and description, under or with respect to the Guaranty, this Agreement or any of the other Loan Documents, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note;

(ii) all other obligations and indebtedness owing by the Debtor to the Secured Party and all future advances made to the Debtor by the Secured Party, however and whenever created, arising or evidenced, whether direct or indirect, through assignment from third parties, whether absolute or contingent, or otherwise, now or hereafter existing, or due or to become due, including, without limitation, obligations under all guaranties, letters of credit and overdrafts;

(iii) any and all renewals, modifications, extensions and supplements to any of the foregoing.

Without limitation of the foregoing, the term "Obligations" shall include any Indebtedness of the Debtor to any other Loan Party which now or hereafter becomes owing to the Secured Party as assignee of such other Loan Party pursuant to any of the Security Documents or otherwise.

"Secured Party" has the meaning set forth in the first paragraph hereof

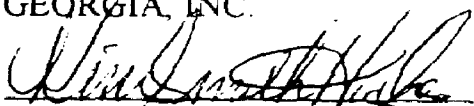
"Security Interest" means the Lien of the Secured Party upon, and the collateral assignments to the Secured Party of, the Collateral effected hereby or pursuant to the terms hereof

(b) Unless otherwise set forth herein to the contrary, all terms not otherwise defined herein and which are defined in the UCC are used herein with the meanings ascribed to them in the UCC. Terms not otherwise defined herein or in the UCC are used herein with the respective meanings given them in the Credit Agreement.

[Signature on Next Page]

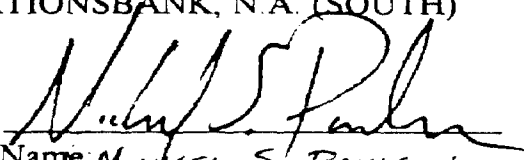
IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be duly executed and delivered under seal by its duly authorized officers as of the day first above written.

PNI GEORGIA, INC.

By: 
Name: KIM SMITH HUGHES
Title: VICE PRESIDENT

Agreed and accepted as of the date first written above.

NATIONSBANK, N.A. (SOUTH)

By: 
Name: MICHAEL S. PAULSEN
Title: ASSISTANT VICE PRESIDENT

SCHEDULE 2(d)

PNI GEORGIA, INC.

None.

SCHEDULE 2(d)

AD963480.216

TRADEMARK
| REEL: 001992 FRAME: 0333

SCHEDULE 2(e)

SCHEDULE 2(e)

PNI GEORGIA, INC.

850 Center Way
Norcross, Georgia 30071
Gwinnett County, Georgia

SCHEDULE 2(e)

AD963480.216

TRADEMARK

REEL: 001992 FRAME: 0334

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of December 20, 1996 executed and delivered by EPS WIRELESS, INC., a corporation organized under the laws of the State of Georgia, with its principal place of business and chief executive office located at 3801 Realty Road, Dallas, Dallas County, Texas 75244 (the "Debtor"), in favor of NATIONSBANK, N.A. (SOUTH) with an office located at 600 Peachtree Street, 18th Floor, Atlanta, Georgia 30308 (the "Secured Party").

WHEREAS, Preferred Networks, Inc., PNI Systems, LLC and the Secured Party have entered into that certain Credit Agreement dated as of August 8, 1996 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Secured Party has agreed to extend certain financial accommodations to the Borrowers subject to the terms thereof,

WHEREAS, the Debtor is an Affiliate of the Borrowers;

WHEREAS, the Debtor, the Borrowers and the other Subsidiaries of the Borrowers, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Lender through their collective efforts;

WHEREAS, the Debtor acknowledges that it will receive direct and indirect benefits from the Secured Party making such financial accommodations available to the Borrowers under the Credit Agreement and, accordingly, the Debtor agreed to guaranty the Borrowers' obligations to the Secured Party on the terms and conditions contained in that certain Guaranty dated as of the date hereof (as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with its terms, the "Guaranty") executed by the Debtor in favor of the Secured Party;

WHEREAS, the Debtor is executing and delivering this Agreement to secure its obligations owing to the Secured Party under the Guaranty and the other Loan Documents to which the Debtor is a party;

WHEREAS, it is a condition precedent to the Secured Party's extension of such financial accommodations under the Credit Agreement that the Debtor execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby agrees with the Secured Party as follows:

Section 1. Grant of Security. To secure the prompt and complete payment, observance and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Debtor hereby collaterally assigns and pledges to the Secured Party, and grants to the Secured Party a security interest in, the Collateral.

Section 2. Representations and Warranties. The Debtor represents and warrants to the Secured Party as follows:

(a) Name, Taxpayer ID Number. The correct corporate name of the Debtor is set forth in the first paragraph of this Agreement, and the Debtor does not conduct and, since its formation has not conducted, business under any trade name or other fictitious name. The Internal Revenue Service taxpayer identification number of the Debtor is 58-2268231.

(b) Loan Document Representations. The Debtor hereby makes to the Secured Party all of the representations and warranties made by the Borrowers with respect to or in any way relating to the Debtor in the Credit Agreement and the other Loan Documents, as if the same were set forth herein in full.

(c) Liens. None of the Collateral or other properties of the Debtor is, as of the date hereof, subject to any Lien, except Permitted Liens.

(d) Chief Executive Office. The chief executive office and principal place of business of the Debtor and the books and records relating to the Receivables and the other Collateral are located at the Debtor's address set forth in the first paragraph of this Agreement, and, except as set forth on Schedule 2(d), have been located there for the five-year period ending on the date hereof. The Debtor has not changed its name, identity or corporate structure in any way since the Debtor's formation.

(e) Places of Business. The addresses (including the applicable counties) of all of the current places of business of the Debtor, and all other places of business of the Debtor during the five-year period ending on the date hereof, are set forth on Schedule 2(e) attached hereto.

(f) Inventory. All Inventory is in good condition, meets all standards imposed by any Governmental Authority having regulatory authority over such goods, their use or sale, and is currently either usable or salable in the normal course of the Debtor's business. All Inventory is located on one or more of the places set forth on Schedule 2(e) hereof or is in transit to one of such locations.

(g) Equipment. All Equipment of the Debtor is in good order and repair and is located on or at one or more of the places set forth on Schedule 2(e) hereof. During the five-year period ending on the date hereof, no Inventory or Equipment of the Debtor was located at any other place of business except as set forth on Schedule 2(e) hereof.

(h) Security Interest. It is the intent of the Debtor that this Agreement create a valid and perfected first-priority security interest in the Collateral, securing the payment of the Obligations.

Section 3. Continued Priority of Security Interest.

(a) The Security Interest shall at all times be valid, perfected and of first priority and enforceable against the Debtor and all other Persons, in accordance with the terms of this Agreement, as security for the Obligations.

(b) The Debtor shall, at its sole cost and expense, take all action that may be necessary or desirable, or that the Secured Party may request, so as at all times to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 3(a), or to enable the Secured Party to exercise or enforce its rights hereunder, including without limitation: (i) paying all taxes, assessments and other claims lawfully levied or assessed on any of the Collateral, except to the extent that such taxes, assessments and other claims constitute Permitted Liens; (ii) obtaining landlords', mortgagees', mechanics', bailees', warehousemen's or processors' releases, subordinations or waivers with respect to any or all of the Collateral, in form and substance satisfactory to the Secured Party; (iii) delivering to the Secured Party, endorsed or accompanied by such instruments of assignment as the Secured Party may specify, any and all chattel paper, instruments, letters of credit and all other advices of guaranty and documents evidencing or forming a part of the Collateral; (iv) at the request of the Secured Party, marking conspicuously each document included in the Collateral and marking all chattel paper and each of its records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Secured Party, indicating that such document, chattel paper, or Collateral is subject to the Security Interest, and (v) executing and delivering financing statements, pledges, notices and assignments, in each case in form and substance satisfactory to the Secured Party, relating to the creation, validity, perfection, priority or continuation of the Security Interest under the UCC or other Applicable Law.

(c) The Secured Party is hereby authorized to execute and file in all necessary and appropriate jurisdictions (as determined by the Secured Party) one or more financing or continuation statements (or any other document or instrument referred to in Section 3(b)(v) above) in the name of the Debtor and to sign the Debtor's name thereto. The Debtor authorizes the Secured Party to file any such financing statement, document or instrument without the signature of the Debtor to the extent permitted by Applicable Law. Further, to the extent permitted by Applicable Law, a carbon, photographic, xerographic, photostatic, microphotographic, optical image reproduction or other reproduction of this Agreement or of any financing statement is sufficient as a financing statement.

Section 4. Covenants Regarding Contracts.

(a) Anything herein to the contrary notwithstanding, (i) the Debtor shall remain liable under all Assigned Contracts to the extent set forth therein to perform its

duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Secured Party of any of its rights hereunder shall not release the Debtor from any of its duties or obligations under any of the Assigned Contracts (except to the extent that such exercise prevents the Debtor from satisfying such duties and obligations), and (iii) the Secured Party shall not have any duties, obligations or liability under any of the Assigned Contracts or duties by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the duties or obligations of the Debtor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Debtor or the sufficiency of any performance by any party under any such contract or agreement, or to take any action to collect or enforce any claim for payment assigned hereunder.

(b) The Debtor shall perform and observe all the terms and provisions of the Assigned Contracts to be performed or observed by it, maintain the Assigned Contracts in full force and effect to the extent of the Debtor's normal business practices, and enforce the Assigned Contracts in accordance with their terms to the extent of the Debtor's normal business practices.

Section 5. Covenants Regarding Collateral Generally.

(a) Verification. After the occurrence of a Default or Event of Default, the Secured Party shall have the right at any time and from time to time, in the name of the Secured Party or in the name of the Debtor, to verify the validity, amount or any other matter relating to any Receivables by mail, telephone or otherwise.

(b) Delivery of Instruments. In the event any of the Collateral becomes evidenced by a promissory note, trade acceptance or any other instrument, the Debtor will immediately thereafter deliver such instrument to the Secured Party, appropriately endorsed to the Secured Party.

(c) Defense of Title. The Debtor shall at all times be the sole owner of each and every item of Collateral and shall defend its title in and to, and the Security Interest in, the Collateral against the claims and demands of all Persons.

(d) Maintenance of Collateral. The Debtor shall maintain all physical property that constitutes Collateral in good and workable condition, with reasonable allowance for wear and tear, and shall exercise proper custody over all such property.

(e) Insurance. The Debtor shall at all times maintain insurance on the Collateral against loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards and risks as the Secured Party shall reasonably specify, in amounts and under policies issued by the Debtor's present insurers or other insurers acceptable to the Secured Party. All premiums on such insurance shall be paid by the Debtor and certified copies of the policies, or other evidence of insurance acceptable to the Secured Party, shall be delivered to the Secured Party promptly upon the Secured Party's request. The Debtor

will not use or permit the Collateral to be used unlawfully or outside of any insurance coverage. All insurance policies required under this Section shall contain loss payable clauses on New York standard loss payee forms or other forms satisfactory to the Secured Party, naming the Secured Party as loss payee, and providing that: (i) all proceeds thereunder shall be payable directly to the Secured Party; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; (iii) such policies and loss payable clauses may not be canceled, amended or terminated with respect to the Secured Party unless at least thirty days' prior written notice is given to the Secured Party, and (iv) there shall be no recourse against the Secured Party for payment of premiums or other amounts with respect thereto. Any proceeds of insurance referred to in this Section which are paid to the Secured Party shall be applied to the payment or prepayment of the Obligations in accordance with Section 12 hereof.

(f) Location of Office. The Debtor's chief executive office, principal place of business, and its books and records relating to the Collateral will continue to be kept at the address set forth in the first paragraph of this Agreement and the Debtor will not change the location of such office and place of business or such books and records without giving the Secured Party at least 30 days' prior written notice thereof.

(g) Location of Collateral. All Inventory, other than Inventory in transit to any such location, and all Equipment will at all times be kept by the Debtor at the current locations set forth on Schedule 2(e), and shall not, without the prior written consent of the Secured Party, be removed therefrom except in connection with sales thereof in the ordinary course of business.

(h) Change of Name, Structure, Etc. Without giving the Secured Party at least 30 days' prior written notice, the Debtor will not (i) change its name, identity or structure or (ii) conduct business under any trade name or other fictitious name.

(i) Records Relating to Collateral. The Debtor will at all times keep complete and accurate records of Inventory and Equipment, itemizing and describing the kind, type and quantity of Inventory and Equipment and the Debtor's cost therefor and a current price list for any Inventory, and keep complete and accurate records of all other Collateral.

(j) Inspection. The Debtor shall permit any representatives designated by the Secured Party upon reasonable notice to visit and inspect the properties of the Debtor and to inspect its financial and business records and make extracts therefrom and copies thereof, all at reasonable times during normal business hours and in a manner so as not to unreasonably disrupt the operations of the Debtor and as often as reasonably requested. The Debtor shall permit the Secured Party or any representatives designated by the Secured Party upon reasonable notice to discuss the affairs, finances and condition of any of the Debtor with its officers and, after prior notice to the Debtor (so long as no Event of Default has occurred and is continuing), the independent accountants for the Debtor.

(k) Other Information. The Debtor shall furnish to the Secured Party such other information with respect to the Collateral, including, but not limited to, physical listings of Inventory and Equipment, as the Secured Party may request from time to time.

(l) Payments Directly to Secured Party. The Secured Party may at any time and from time to time after the occurrence of a Default or Event of Default notify, or request the Debtor to notify, in writing or otherwise, any Account Debtor or other obligor with respect to any one or more of the Receivables or Assigned Contracts to make payment to the Secured Party or any agent or designee of the Secured Party directly, at such address as may be specified by the Secured Party. If, notwithstanding the giving of any notice, any Account Debtor or other such obligor shall make payment to the Debtor, the Debtor shall hold all such payments it receives in trust for the Secured Party, without commingling the same with other funds or property of or held by the Debtor, and shall promptly deliver the same to the Secured Party or any such agent or designee immediately upon receipt by the Debtor in the identical form received, together with any necessary endorsements.

(m) Sale of Collateral. The Debtor shall not sell, lease or transfer or otherwise dispose of any Collateral outside the ordinary course of its business; provided, however the Debtor may dispose of its Inventory in the ordinary course of its business so long as no Default or Event of Default shall have occurred. The inclusion of "proceeds" of the Collateral under the Security Interest shall not be deemed a consent by the Secured Party to any other sale or other disposition of any part or all of the Collateral.

Section 6. Covenants. So long as any Obligations remain unpaid or unperformed, the Debtor shall comply with all covenants which the Borrowers are to cause the Debtor to comply with under the terms of the Credit Agreement or any of the other Loan Documents.

Section 7. Liens. The Debtor shall not create, assume, incur or permit or suffer to exist or to be created, assumed or incurred, any Lien upon any of the Collateral other than Permitted Liens.

Section 8. The Secured Party Appointed Attorney-in-Fact. The Debtor hereby irrevocably appoints the Secured Party the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument or document which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement and to exercise any rights and remedies the Secured Party may have under this Agreement or Applicable Law, including, without limitation: (i) to obtain and adjust insurance required to be maintained pursuant to the terms of this Agreement or any other Loan Document; (ii) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral including any Receivable; (iii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with

clause (i) or (ii) above; (iv) to sell or assign any Receivable upon such terms, for such amount and at such time or times as the Secured Party deems advisable, to settle, adjust, compromise, extend or renew any Receivable or to discharge and release any Receivable; and (v) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral. The power-of-attorney granted hereby shall be irrevocable and coupled with an interest.

Section 9. The Secured Party May Perform. If the Debtor fails to perform any agreement contained herein, the Secured Party may, without notice to the Debtor, itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Debtor under Section 15 hereof

Section 10. The Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property; it being understood that the Secured Party shall be under no obligation to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral, but may do so at its option, and all reasonable expenses incurred in connection therewith shall be for the sole account of the Debtor and shall be added to the Obligations.

Section 11. Remedies. The Secured Party may take any or all of the following actions upon the occurrence of an Event of Default hereunder.

(a) Inventory and Equipment.

(i) Entry. The Secured Party may enter upon any premises on which Inventory or Equipment may be located and, without resistance or interference by the Debtor, take physical possession of any or all thereof and maintain such possession on such premises or move the same or any part thereof to such other place or places as the Secured Party shall choose, without being liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(ii) Assembly. The Debtor shall, upon request of and without charge to the Secured Party, assemble the Inventory and Equipment and maintain or deliver it into the possession of the Secured Party or any agent or representative of the Secured Party at such place or places as the Secured Party may designate and as are reasonably convenient to both the Secured Party and the Debtor.

(iii) Warehousing. The Secured Party may, at the expense of the Debtor, cause any of the Inventory and Equipment to be placed in a public or field warehouse, and the Secured Party shall not be liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(b) Use of Premises and Patents. The Secured Party may:

(i) without notice, demand or other process, and without payment of any rent or any other charge enter any of the Debtor's premises and, without breach of the peace, until the Secured Party completes the enforcement of its rights in the Collateral, take possession of such premises or place custodians in exclusive control thereof, remain on such premises and use the same and any of the Debtor's equipment, for the purpose of (A) completing any work in process, preparing any Inventory and Equipment for disposition and disposing thereof and (B) collecting any Receivable; and

(ii) in the exercise of the rights of the Secured Party under this Agreement, without payment or compensation of any kind, use any and a trademarks, trade styles, trade names, patents, patent applications, licenses, franchises and the like to the extent of the rights of the Debtor therein, and the Debtor grants a license to the Secured Party for this purpose.

(c) Cash Collateral. The Secured Party may apply any cash Collateral to the payment of the Obligations in any order in which the Secured Party may elect or use such cash in connection with the exercise of any of its other rights hereunder.

(d) Rights as a Secured Creditor. The Secured Party may exercise all of the rights and remedies of a secured party under the UCC and under any other Applicable Law, including, without limitation, the right, without notice except as specified below and with or without taking possession thereof, to sell the Collateral or any part thereof in one or more parcels at public or private sale at any location chosen by the Secured Party, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable. The Debtor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to the Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(e) Waiver of Marshaling. The Debtor hereby waives any right to require any marshaling of assets and any similar right.

(f) Appointment of Receiver. The Secured Party shall be entitled to the appointment of a receiver, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the Collateral and/or the business operations of the Debtor and to exercise such power as the court shall confer upon such receiver.

(g) Receivables/Assigned Contracts. The Secured Party shall have the exclusive right to assert, either directly or on behalf of the Debtor, any and all rights and claims the Debtor may have under any Receivables and/or any of the Assigned Contracts as the Secured Party may deem proper and to receive and collect any and all Receivables and Assigned Contracts and any and all rent, fees, damages, awards and other monies arising thereunder or resulting therefrom and to apply the same on account of any of the Obligations.

Section 12. Application of Proceeds. All proceeds from each sale of, or other realization upon, all or any part of the Collateral following an Event of Default shall be applied or paid over as follows:

(a) First: to the payment of all costs and expenses incurred in connection with such sale or other realization, including reasonable attorneys' fees if the Secured Party endeavored to collect the Obligations by or through an attorney at law;

(b) Second: to the payment of the interest due upon any of the Obligations, in any order which the Secured Party may elect;

(c) Third: to the payment of the principal due upon any of the Obligations in any order which the Secured Party may elect; and

(d) Fourth: the balance (if any) of such proceeds shall be paid to the Debtor or to whomsoever may be legally entitled thereto.

The Debtor shall remain liable and shall pay, on demand, any deficiency remaining in respect of the Obligations, together with interest thereon at a rate per annum equal to the highest rate then payable hereunder on such Obligations, which interest shall constitute part of the Obligations.

Section 13. FCC Matters. Notwithstanding any other provision of this Agreement to the contrary, any foreclosure on, sale, transfer or other disposition of, or the exercise of any right to vote or consent with respect to, any of the Collateral as provided herein or any other action taken or proposed to be taken by the Secured Party hereunder which would affect the operational, voting or other control of the Debtor or any other Loan Party that holds a License granted by the FCC, shall be pursuant to the Communications Laws and to any other Applicable Laws of any state, and, to the extent required thereby,

subject to the prior approval of the FCC or any applicable state PUC. Upon the occurrence and during the continuance of an Event of Default, the Debtor shall assist, and cause each of its Subsidiaries to assist, in obtaining all necessary approvals of the FCC and applicable state PUCs, if required, for any action or transactions contemplated by this Agreement, including, without limitation, the preparation, execution and filing with the FCC of the assignor's or transferor's portion of any applications for consent to the assignment of any license or transfer of control necessary or appropriate under the rules and regulations of the FCC or applicable state PUCs, for approval of the transfer or assignment of any portion of the Pledged Collateral. The Debtor acknowledges that there is no adequate remedy at law for failure by the Debtor to comply with the provisions of this Section and that such failure would not be adequately compensated in dollar damages, and therefore the Debtor agrees, without limiting the right of the Secured Party to seek and obtain specific performance of other obligations of the Debtor contained in this Agreement, that the agreements contained in this paragraph may be specifically enforced.

Section 14. Rights Cumulative. The rights and remedies of the Secured Party under this Agreement, the Credit Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which it would otherwise have. In exercising its rights and remedies the Secured Party may be selective and no failure or delay by the Secured Party in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

Section 15. Expenses. The Debtor will pay, on demand, all out-of-pocket expenses incurred by the Secured Party in connection with: (a) the collection or enforcement of the Obligations including reasonable fees and disbursements of counsel to the Secured Party if such collection or enforcement is done through or by an attorney; and (b) the exercise by the Secured Party of any right or remedy granted to it under this Agreement whether or not a Default or Event of Default has occurred, including, without limitation, the expenses incurred by the Secured Party in connection with the collection of Receivables directly from account debtors.

Section 16. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 17. Notices. Unless otherwise provided herein, all notices and other communications provided for hereunder shall be in given in accordance with the applicable provisions of the Guaranty.

Section 18. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the Obligations, (ii) be binding upon the Debtor, its

successors and assigns and (iii) inure the benefit of the Secured Party, and its successors and assigns. The Debtor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefore.

Section 19. Applicable Law, Severability. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

Section 20. Arbitration. ANY CONTROVERSY OR CLAIM BETWEEN THE DEBTOR AND THE SECURED PARTY, INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT, SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE, THE APPLICABLE STATE LAW), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF JUDICIAL ARBITRATION AND MEDIATION SERVICES, INC. (J.A.M.S.), AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO CONTEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION.

A. SPECIAL RULES. THE ARBITRATION SHALL BE CONDUCTED IN THE CITY OF THE DEBTOR'S DOMICILE AT THE TIME OF THIS AGREEMENT'S EXECUTION AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION; FURTHER, THE ARBITRATOR SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS.

B. RESERVATION OF RIGHTS. NOTHING IN THIS AGREEMENT SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS AGREEMENT; OR (II) BE A WAIVER BY THE SECURED

PARTY OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC. 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW; OR (III) LIMIT THE RIGHT OF THE SECURED PARTY HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSE AGAINST ANY REAL OR PERSONAL PROPERTY COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER. THE SECURED PARTY MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSE UPON SUCH PROPERTY, OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS AGREEMENT. NEITHER THE EXERCISE OF SELF HELP REMEDIES NOR THE INSTITUTION OR MAINTENANCE OF AN ACTION FOR FORECLOSURE OR PROVISIONAL OR ANCILLARY REMEDIES SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CONTROVERSY OR CLAIM OCCASIONING RESORT TO SUCH REMEDIES.

Section 21. Indemnification. The Debtor agrees to indemnify and hold the Secured Party harmless from and against any claim, loss, damage, action, cause of action, liability, cost and expense or suit of any kind or nature whatsoever, brought against or incurred by the Secured Party, in any manner arising out of or, directly or indirectly, related to or connected with the operation of the Debtor's business, any action taken by the Secured Party with respect to any Receivable or Assigned Contract pursuant to this Agreement or any other action taken by the Secured Party pursuant to the terms of this Agreement, including, without limitation, claims brought against the Secured Party by any Account Debtor.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same instrument.

Section 23. Definitions (a) For the purposes of this Agreement:

"Agreement" means this Security Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Assigned Contract" means any contract or agreement to which the Debtor is a party or which runs in favor of the Debtor and which constitutes part of the Collateral.

"Collateral" means all of the Debtor's right, title and interest in and to each of the following, wherever located and whether now or hereafter existing, or now owned or hereafter acquired or arising:

(a) all Receivables of the Debtor;

(b) all Inventory;

(c) all Equipment,

(d) all rights of the Debtor as an unpaid vendor or lienor (including, without limitation, stoppage in transit, replevin and reclamation) with respect to any Inventory or other properties of the Debtor;

(e) all patents, trademarks, trade names, service marks, trade secrets, copyrights, mask works and exclusive licenses (including all pending patents, trademarks, trade names, service marks and copyrights and all applications, materials, documents and other matter relating thereto), all inventions, and all manufacturing, engineering and production plans, blueprints, drawings, specifications, processes and systems, all computer programs, data bases, systems and software (including source and object codes), goodwill, choses-in-action, and all other general intangibles of every nature, type and description, whether now owned or hereafter acquired by the Debtor;

(f) all documents of title, policies and certificates of insurance, chattel paper and instruments of the Debtor;

(g) all books, records, files and correspondence in any way related to any of the foregoing or otherwise pertaining to the business operations of the Debtor,

(h) any and all balances, credits, deposits, accounts, items and monies of the Debtor now or hereafter with the Secured Party or any affiliate of the Secured Party or deposited with the Secured Party or any financial institution selected by the Secured Party pursuant to any lock box, deposit, escrow or other collection agreement or otherwise, and all property of the Debtor of every kind and description now or hereafter in the possession or control of the Secured Party for any reason; and

(i) any and all products and proceeds of any of the foregoing (including, but not limited to, any claims to any items referred to in this definition, and any claims of the Debtor against third parties for loss of, damage to or destruction of, any or all of the Collateral or for proceeds payable under, or unearned premiums with respect to, policies of insurance) in whatever form, including, but not limited to, cash, instruments, general intangibles, accounts receivable, goods, documents and chattel paper.

"Debtor" has the meaning set forth in the first paragraph hereof

"Equipment" means all equipment, machinery, apparatus, fittings, fixtures and other tangible personal property (other than Inventory) of every kind and description used in the Debtor's business operations or owned by the Debtor or in which the Debtor has an interest, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor.

"Inventory" means (a) all inventory of the Debtor and all goods intended for sale or lease by the Debtor, or for display or demonstration, (b) all work-in-process; (c) all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in the Debtor's business; and (d) all documents relating to any of the foregoing.

"Obligations" means, individually and collectively:

(i) all obligations and indebtedness of the Debtor, owing to the Secured Party of every kind, nature and description, under or with respect to the Guaranty, this Agreement or any of the other Loan Documents, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note;

(ii) all other obligations and indebtedness owing by the Debtor to the Secured Party and all future advances made to the Debtor by the Secured Party, however and whenever created, arising or evidenced, whether direct or indirect, through assignment from third parties, whether absolute or contingent, or otherwise, now or hereafter existing, or due or to become due, including, without limitation, obligations under all guaranties, letters of credit and overdrafts;

(iii) any and all renewals, modifications, extensions and supplements to any of the foregoing.

Without limitation of the foregoing, the term "Obligations" shall include any Indebtedness of the Debtor to any other Loan Party which now or hereafter becomes owing to the Secured Party as assignee of such other Loan Party pursuant to any of the Security Documents or otherwise.

"Secured Party" has the meaning set forth in the first paragraph hereof

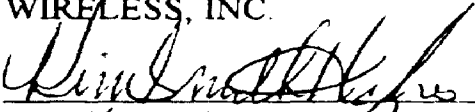
"Security Interest" means the Lien of the Secured Party upon, and the collateral assignments to the Secured Party of, the Collateral effected hereby or pursuant to the terms hereof

(b) Unless otherwise set forth herein to the contrary, all terms not otherwise defined herein and which are defined in the UCC are used herein with the meanings ascribed to them in the UCC. Terms not otherwise defined herein or in the UCC are used herein with the respective meanings given them in the Credit Agreement.

[Signature on Next Page]

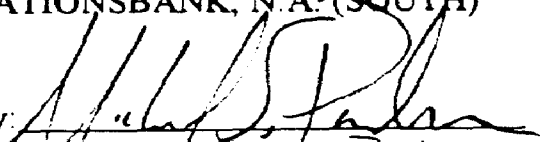
IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be duly executed and delivered under seal by its duly authorized officers as of the day first above written.

EPS WIRELESS, INC.

By: 
Name: Kim Smith Hughes
Title: Vice President and Treasurer

Agreed and accepted as of the date first written above.

NATIONSBANK, N.A. (SOUTH)

By: 
Name: Michael S. Paulson
Title: Assistant Vice President

SCHEDULE 2(d)

EPS WIRELESS, INC.

Electronics Paging Services, Inc.
1418 Upfield Drive
Carrollton, Texas 75006
Dallas County, Texas

Electronic Paging Services, Inc.
1445 MacArthur Drive
Carrollton, Texas 75006
Dallas County, Texas

SCHEDULE 2(d)

AD963480.216

TRADEMARK
REEL: 001992 FRAME: 0350

SCHEDULE 2(e)

EPS WIRELESS, INC.

3801 Realty Road
Dallas, Texas 75244
Dallas County, Texas

Electronics Paging Services, Inc.
1418 Upfield Drive
Carrollton, Texas 75006
Dallas County, Texas

Electronic Paging Services, Inc.
1445 MacArthur Drive
Carrollton, Texas 75006
Dallas County, Texas

SCHEDULE 2(e)

AD963480.216

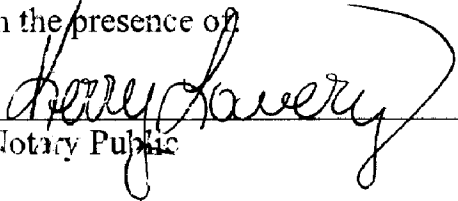
TRADEMARK
REEL: 001992 FRAME: 0351

AFFIDAVIT

I, Frank W. DeBorde ("Affiant"), am a Partner with the law firm of Morris, Manning & Martin, L.L.P. I have acted as counsel to Preferred Networks, Inc., in matters of trademarks, patents and security issues relative to the corporation.

I, Frank W. DeBorde, do hereby certify that the Security Agreements attached hereto are true and correct copies of the original documents.

Signed, sealed and delivered
in the presence of



Notary Public

AFFIANT:



Affiant

NY COMMISSION EXPIRES SEPT. 15, 2003

#568584 v1 - Affidavit

RECORDED: 11/09/1999

**TRADEMARK
REEL: 001992 FRAME: 0352**